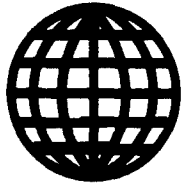


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8 MARCH 1990



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East Europe

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INTRABLOC AFFAIRS

Yugoslav Alliance in Hungary Considers Disbanding

90EB0228A Zagreb VJESNIK in Serbo-Croatian
28 Jan 90 p 6

[Article by Jovo Paripovic: "Three Alliances Instead of One"]

[Text] The Democratic Alliance of Southern Slavs in Hungary, an organization that for 45 years now has united Croats, Serbs, and Slovenes in that neighboring country of ours in preserving their heritage, is facing serious trials, and perhaps even collapse.

The headquarters of the Alliance, on Budapest's Negyvez Street, was slightly caught by surprise by the events. Specifically, about 10 days ago a meeting of the Alliance's National Committee was held, and was dominated precisely by talks about the reorganization and even the collapse of the Alliance.

It was agreed that they would convene, as soon as possible, the 11th in order, but extraordinary, congress of southern Slavs in Hungary, at which a decision would be made on how to organize and how to conduct further activity. In the meantime, a Croatian Democratic Alliance has been founded in Baja and Pecuh, southern Slav writers have organized themselves in an organization of their own, young people have founded a "Youth" organization, an action committee was formed on 23 January at the Kossuth Club to found a Serbian Democratic Alliance, and the Slovenes will probably also launch a similar initiative. It thus turns out that perhaps the St Sava Ball of southern Slavs to be held this Friday (26 January) will be the last joint dance of the members of our peoples in Hungary.

The secretary general of the Democratic Alliance of Southern Slavs in Hungary, Marin Mandic, does not even want to speak about the collapse of the Alliance, because he says that it is "a rather big word," and that it is always "easier to destroy something than to build it."

In these words of his, some people recognize a person who is still not aware of what the "year of the great reversal" has brought to all of Hungary, with its break with the party state and one-party monopoly. As we were told by writer Predrag Stepanovic, a man who has dealt primarily with the Alliance's cultural activities, Mandic pointed out even earlier that the Alliance could be saved by new structural changes. It seems that the time for waiting is over, and that the members of some of our peoples in Hungary have decided to undertake something themselves.

No Easier Now

The above-mentioned stormy session of the National Committee showed what individuals think about the Alliance's leadership. They criticize it for its servile

attitude toward what is now already the former Hungarian Socialist Workers' Party [MSZMP], its opportunism, and its failure to engage in confrontation, even though that monopolistic authority was forcing members of minorities toward assimilation.

As we were told by prominent university professor Ljubomir Lastic, the Alliance's leadership is also being criticized for being concerned with its own comfortable seats, as it is doing so even now, by offering a undefined program of changes, and for having ignored democratic elections.

Responding to the accusations that criticized the Alliance's leadership for "serving the MSZMP," Marin Mandic asked, "Who did not do that?" and added that "in spite of that, we can stand before our people and analyze these years in the one-party system." Of course, those were not easy times for the activity of an Alliance that "wrestled with perfidious and camouflaged assimilation, with the liquidation of our schools, the loss of our language, and thereby the loss of our identity as well," as stated in a message from the National Committee.

It is obvious that the effort to preserve identity will not be any easier now, when the democratic initiative is in full swing in Hungary. As emphasized by Djuro Frankovic of Pecuh, who heads the Croatian Democratic Alliance in Hungary, representatives of the individual parties in Hungary do not reject minority issues and are willing to "fight" for minority rights, but it is done without representatives of the minorities. None of the members of our peoples in Hungary will even accept such speaking on behalf of the minorities.

The population census that is under way in Hungary will certainly also yield surprising data on the minorities. Some estimates say that about 100,000 Croats, Serbs, and Slovenes live in this neighboring country, of whom most are Croats (about 80 percent). More realistic people, however, expect the census to show a figure much lower than the one mentioned. Assimilation has done its work.

The new electoral law does not favor minorities, either. Admittedly, each minority will have one seat in parliament "by invitation," but after a multiparty system and parliamentary democracy have been introduced, it may happen that members of our peoples will be in government bodies as representatives of individual parties, and will support the programs of those parties, without an opportunity to represent minority interests as well. Marin Mandic, the only representative of the southern Slavs in the Hungarian parliament, comments that minority rights are mentioned in the constitution, but that nothing guarantees them; but Mandic had insisted precisely upon that guarantee and upon recognition of minorities as a factor in statehood.

Separate, but Together

At the same time as the Democratic Alliance of Southern Slavs in Hungary is faced with trials, on the other side of

the border, a Democratic Alliance of Vojvodina Hungarians is being founded in Yugoslavia. Although the rights enjoyed by the members of our peoples in Hungary can by no means be compared with the rights of Hungarians in our country, and regardless of how different the two processes are, this is obviously a question of taking into account the position of minorities or nationalities under the conditions of the shift from a party state to a law-governed one. In a law-governed state, the rights of nationalities and minorities should be taken into account within the framework of the fulfillment of human rights, and the adoption of several legal and sublegal documents has been associated with this. We do not know how successful the nationalities or minorities on both sides of the border will be in all this, but it is certain that the actions of what are now the disunited parts of the Democratic Alliance of Southern Slavs in Hungary should move in that direction.

Djuro Frankovic, the head of the association of Croats in Hungary, Stojan Vujcic, the writer who heads the action committee for founding the Serbian Democratic Alliance, Petar Lastic, the son of university professor Lastic, a laser expert and a representative of "Youth," and Ivica Djurok, the head of "Youth," will tell you that they are dissatisfied with the former leadership of the Alliance. That, of course, is not sufficient reason to reorganize the Alliance and establish smaller alliances, because one should draw from the experiences of the past, in which all of the "internal reserves" were exhausted in fulfilling the rights of minorities or nationalities under the conditions of a party state.

It is necessary to confront the authorities in order to achieve rights, claims the elder Lastic, while his son Petar emphasizes that in different ways, the thing in common may be that each of our peoples in Hungary must be concerned itself with its own problems. None of the present leaders of the national groups rejects the possibility of founding a coordinating body for all the alliances, because there are naturally still joint concerns about education, ties with Yugoslavia, and some other issues. An answer to this is expected at the upcoming extraordinary congress.

Dangers of Transformation

All the people we spoke with in Hungary claim that this whole transformation has nothing to do with the divisions in Yugoslavia, but it is still significant how much concern there will be in Yugoslavia about the representatives of our peoples in Hungary, and how much assistance will be offered to them. Djuro Frankovic is inclined to assert that the story of minorities as a bridge between the two countries is merely an empty phrase. Those bridges are weak, because the assistance coming from Yugoslavia is minimal. A few books are sent, there is no money for a tamburica [type of musical instrument], which had been promised, and people turn a deaf ear to proposals to solve certain problems, such as, for instance, the one encountered by the Croatian population in the southern part of Hungary, who do not have

clergy, etc. Admittedly, the present leadership of the Democratic Alliance of Southern Slavs in Hungary cannot be criticized for not being sensitive to those problems; it is simply that its hands were tied, it was impotent, and it did not always encounter a response from Yugoslavia. Now there will be separate attempts to seek better ties with the "motherland."

Obviously the present united alliance is turning over a new page, if the book is not yet finished, and the fact that things are not simple is indicated by the announcements that representatives of the Croatian Democratic Alliance, as well as the action committee of the Serbian Democratic Alliance, have requested that the alliance's budget, which receives 12 million forints a year, be frozen. The new alliances are obviously thinking about the development of their own activities and how to finance them.

These transformation processes, however, also conceal dangers, and the greatest threat is from people who only look at the interests of "their own people." If such people assume the leading role, the members of our peoples in Hungary, who are already dispersed, will find themselves confused and even more disunited in their attempts to protect themselves from assimilation and to preserve their identity.

CZECHOSLOVAKIA

Commission Urges Protest of KGB's Presence

90EC0284B Prague ZEMEDLSKE NOVINY in Czech
8 Feb 90 p 1

[Article by (CTK): "KGB: The Gray Eminence"]

[Text] The State Security Corps (StB) in Czechoslovakia was officially disbanded on 1 February 1990 and a new security unit formed. The Independent Investigation Commission issued a statement in which it notes that the actual liquidation of the StB will be a very difficult process. The situation is complicated by its interconnections with Brezhnev's KGB (Committee for State Security) and the Communist Party of Czechoslovakia, which, even today, is not willing to publish information about its cooperation, thereby distancing itself completely from the operations of the StB.

To support the process of liquidation of the "sinister brotherhood" of the State Security Corps, the CPCZ, and the KGB, the Independent Investigation Commission calls for demonstrations to be held in the usual locations on 12 February at 1700 hours.

Havel About Himself, His Office

90EC0259A Bratislava SMENA in Slovak 18 Jan 90 p 6

[Article containing interview with Vaclav Havel: "No Peace and Quiet Around Here"; date and place not given]

[Text] In front of a lovely Art Nouveau building at No. 78 Engles Embankment, on a narrow sidewalk, stands a new black Renault 21 TSE, a gift of Portuguese President Soares to the new Czechoslovak president. He still lives as if he were only the writer Vaclav Havel. Nothing indicates that here lives the First Gentleman of the state. No barricades, no guards, no pomposity. Alas, no elevator, either.

We must negotiate four flights of stairs. A woman is washing the hallway floor. In front of the President's apartment sit transparent plastic bags full of garbage. Under the doorbell hangs a card, on which the President wrote in a red felt-tipped pen in his own hand: This is my private apartment. Please turn with your problems, ideas, and concerns, for your sake and mine, to the Office of the President of the Republic. Thank you. V.H. And underneath the signature he drew a small heart.

We enter an apartment designed on a large scale, with richly decorated stucco ceilings. A bohemian atmosphere still prevails here. We notice the remains of a sleepless night. Empty beer and champagne bottles are everywhere. A sleepy First Lady, Olga Havlova, in a negligee, looks in from the bedroom and then immediately disappears again.

And then the President arrives, at first glance looking nervous, and with obvious signs of a lack of sleep. He is surrounded by unshaven advisers in T-shirts and sweaters. Obviously children of the revolution. They ask Havel for quick decisions. He tells us: "Just relax and take a look around."

Suddenly he appears again and makes himself available to us. We sit down on the sofa, and as we are getting our tape recorder ready, Havel says: "We have seven minutes. Then I must go to the Castle."

After six minutes he jumps up and runs to the bedroom. In the nearest closet he tries to find some statesmanlike tie. Wife Olga is angry that the photographer from the magazine STERN Lebeck follows Havel's every step, and even looked in on their private disarray. She grumbles and quickly slams the door. And so Havel is once again shut in.

The President runs down the stairs. His closest friends and advisers behind him. He says: "No peace and quiet around here."

There is no room left for us in the car. And so he advises us: "Stand on the side of the road and wave a 50-mark bill. That will get you to the Castle very quickly."

But his entourage takes pity on us and squeezes us into an already occupied escort car.

No flashing lights accompany the President. But the driver speeds away as if pursued by the Furies. In front of the president's office already waits the Chief of Protocol of the former president Husak. Everyone is alarmed. Who will have to leave? Who can stay? Havel walks through the corridors, through a number of rooms

with massive, cumbersome furniture, and remains standing, as if lost, in front of his desk which is still glaring with emptiness. He sits down for a while in the presidential chair.

Then he jumps up and starts taking down all the pictures from the walls. They are the works of loyal artists of the former president. Havel's coworkers have to drag a heavy bronze statue from the room, the President does not want to have his picture taken with masterpieces of Socialism. But he does not feel comfortable even there. Could something of Husak still remain in the atmosphere? We are again sitting in the car. We crisscross the labyrinth of the Castle to the residence of the president.

For the first time Havel enters his new home, which looks as if it had just undergone a spring cleaning. All traces of his predecessor have already been swept away. All doors are wide open. Havel runs around the rooms. His eyes rest on the plush bed of his predecessor and tormentor, Gustaf Husak. That room he will not enter. In the conference room he sits down in an enormous armchair behind a seven-meter-long polished table. The new president gives the impression of being even smaller here. The secretaries bring in coffee. On Havel's saucer they placed a lump of sugar in the form of a heart. Vaclav Havel is ready to grant us the next part of the interview, the first he is giving as president.

[SMENA] The writer Havel said in his book "Dalkovy vyslech" [Long-Distance Interrogation] that an intellectual is in a certain sense always, and beforehand, defeated. Are you, as president of this country, still always defeated?

[Havel] I am defeated in the sense that I was overtaken by events. Without wanting to, I assumed a political function. I did that because I always subordinated my personal interests to public ones, and because the public convinced me that it is in the public interest. Understandably, one is circumscribed as a president. I must follow international custom and during every working visit I must also attend against my will grand functions which make me lose hours of precious time. But in spite of my views I had to change my ideals. So that I am, and I am not, defeated.

[SMENA] When you were elected as the First Gentleman of the state, were you thinking about the fact that just three months ago you were locked up in a prison cell?

[Havel] Yes, and not only during the election. Very often I was struck by the thought that all of a sudden somebody will shout: "Get up!" and I shall wake up in the cell and tell my fellow prisoners what I have been dreaming about, and they will tell me that my head must be haunted by dissidence if I have such dreams.

[SMENA] Husak is gone, but his apparatus remains. How will you find your way around your new official residence in the Castle?

[Havel] I have already met with the chiefs of all departments and told them there will be big changes soon. The number of employees will be reduced. Some will be changed. But everything will be done in the spirit of national understanding. No one need be afraid that he will have nothing to eat, that he will have to sleep under a bridge.

[SMENA] When you think back on the first weeks of the revolution and you remember the massacre in Romania, are you not overcome by fear in retrospect?

[Havel] At certain moments everything was very tense here, everything hung on a thread. Almost every other day I received guaranteed reports that a police coup or even a military putsch was about to take place. I did not take these reports seriously. I did not want to believe them. Especially because the totalitarian power in our country did not have the character of a Calligula's rule as in Romania.

[SMENA] Are you now going to take your revenge, as in the German Democratic Republic? Or will you spread a cloak of mercy over all the offenders, as in Hungary?

[Havel] We are opponents of revenge. We are friends of justice.

[SMENA] Will there be trials, then?

[Havel] When an independent judiciary finds that somebody is guilty of breaking the law, it is their duty to hold them accountable.

[SMENA] Was not the independent judiciary a dependent judiciary up till now?

[Havel] That is one of the thousands of difficult tasks which we must resolve quickly. I hope that it explains the speed with which we are moving and also the speed with which we must conduct this discussion.

[SMENA] What will become of those who made Vaclav Havel's life hell during the past 20 years?

[Havel] Many of them have been justifying themselves to me already, and I tell them that they are wasting my time. I am not capable of revenge, nor do I feel hatred.

[SMENA] In Czechoslovak prisons, until now, there has been venality, and corporal punishment and torture have been used. Nobody knows that better than you. How do you propose to extricate yourself out of this morass?

[Havel] I myself have always thought that there is some good in every human being. Be it a justly sentenced prisoner or a bullying guard. I believe that we shall succeed in creating an atmosphere which will bring out the best in people.

[SMENA] Certainly it is a mistake to compare the terror of Nazism with the oppression of the Husak regime.

[Havel] ...certainly. The 21 years of the totalitarian system in Czechoslovakia since the Prague Spring could

not commit even a thousandth of the horrors for which the 12 years of Hitlerism are accountable. But maybe it was able to do as much damage at the moral level of our society.

[SMENA] What significance do you see in the fact that former prisoner Havel now stands at the head of the state?

[Havel] It means something, but not much. My predecessor in office, Husak, was during the fifties in prison longer than I was, he suffered more. But that does in no way mean that he was a good president.

[SMENA] What ideas about his country does President Havel have?

[Havel] I would like to see this country be not only democratic, not only economically developed, not only socially just, but most of all humane.

[SMENA] What did the communism of Alexandr Dubcek, who contributed substantially to today's developments, mean to you?

[Havel] I am certain that the attempt in 1968 to create communism with a human face was a good step, although it was brutally suppressed. But it did not go as far as our revolution. In contradiction with all the longing for the introduction of democracy and pluralism, at that time nobody cast doubt on the power monopoly of the Communist Party.

[SMENA] In Paris your colleague, Milan Kundera, dusted off the concept of "Central Europe." Your other colleague, Pavel Kohout, brought with him from Vienna some grand economic proposals for a mutual tie-in of the industries of both countries. Would not now the extinct Habsburg empire rise again as an economic community?

[Havel] The concept of Central Europe of course existed before Milan Kundera. But he popularized it in the conscience of the world. And as far as Pavel Kohout is concerned, we appreciate very much that in the initial phase of our revolution he served as an intermediary for the grand economic proposals by Austria. I am firmly convinced that he will continue to work in this field. But it certainly will develop into something else than a Habsburg monarchy.

[SMENA] But in spite of that, your first state visit was not to Vienna but to Berlin and Munich.

[Havel] There were several reasons for that decision. During my tenure as president I would like to undertake several peace initiatives and precisely this visit was to be the signal. Today, there is talk in both German states about a German federation. And that at a time when many states and nations are afraid of a great Germany.

[SMENA] And are you afraid?

[Havel] I think that a reunification will take place sooner or later. But Germany will be unified only after Germans

prove by their attitude that no one need be afraid of them. Personally, I have always said that it is not crucial whether Germany has 50, 65, or 80 million people. A state with much smaller population can be much more dangerous. What is crucial is whether a democratic system, a democratic conscience, and a democratic culture prevail there.

[SMENA] What kind of peace initiatives do you want to propose?

[Havel] I do not wish to reveal that just yet.

[SMENA] Then please tell us what induced you in the fall of last year to find in your letter, addressed to the Federal President von Weizsacker, such conciliatory words for the Sudeten Germans.

[Havel] Now I am not speaking for the Czechoslovak society, the government and the Parliament. I can speak only for myself. According to my opinion, the principle of collective guilt, which was one of the reasons for the expulsion, is an immoral principle. It was a continuation of the evil done by the Second World War. All citizens of the Czechoslovak Republic who committed treason or other crimes should have been brought before independent courts. But they should not have been deprived of their home on the principle of collective guilt. Among the expelled Germans there were many people who were guilty. But as long as there was among the expelled Germans even a single innocent person, it would have been a proof of injustice. At issue is justice, not revenge. Perhaps we can also say that it was a period of passions.

[SMENA] Many Czechs and Slovaks also suffered expulsion and exile since 1945. How can it be proven to them that they again belong to this country?

[Havel] That is a problem that cannot be solved only by us here. That depends in equally large measure on the conscience, thinking, and feeling of the exiles. Many would like to return, many would like to become permanent ambassadors of Czechoslovak culture abroad. Many have become accustomed to living there. Some want to keep moving between Czechoslovakia and their new country. We shall do everything to make our exiles feel comfortable.

[SMENA] Really? You invited only one emigrant to your election.

[Havel] That had a simple reason. We had too few admission tickets. Besides that, our emigrants were represented by three personages: Count Karl von Schwarzenberg, Pavel Tigrid as the Nestor of Czechoslovak culture abroad, and Pavel Landovsky.

[SMENA] That sounds very harmonious. But why is your friend and colleague Jiri Grusa announcing from his exile in Bonn: "I think that I shall soon find myself in the opposition again."

[Havel] Part of democracy is the existence of the most varied opposition. And if my friend Grusa wants to be my opposition, then I am glad that opposing me is such an intelligent person.

[SMENA] In 1986 Pavel Wonka wanted to be a candidate for parliament as a nonparty member. They put him in prison for that, and let him die there of starvation. In 1969 Jan Palach burned himself to death as a protest against the Soviet invasion. In 1948 Foreign Minister Jan Masaryk jumped from the window of his office under unclear circumstances. Does not the history of our country need to be interpreted differently?

[Havel] As the president of this country I cannot resolve all these problems by myself. But I am convinced that an independent judiciary and independent historians will expose the truth about all the dark pages of our past and at the same time make certain that we shall remember all our heroes who for many years were not supposed to be heroes. The case of Pavel Wonka touches me personally. He was my good friend. And part of the truth also is that there were many thousands of sacrifices during the past four decades.

[SMENA] Vaclav Havel has been for many years a lonely man with a few loyal friends. Is he now going to be able to protect himself from an avalanche of friends?

[Havel] It would be sad if in the West the interest in my work grew only because I became president. Here, the interest in my person obviously increased because I tried to say aloud what others have been thinking in silence. But one of the advantages of being president is that fewer reporters will be able to get to me than before.

[SMENA] Literature grows out of personal experiences, not societal. Does that have anything to do with your reluctance to accept the office of the president?

[Havel] Of course. I am a writer who has been used to being alone, who has been used to having the time to write. Now I am never alone, and I have so little time to write that I had to write my so important New Year speech in two hours. For most of the other speeches I had only a few minutes. Or I had to improvise, which I find very uncomfortable because I am no orator.

[SMENA] Can you really imagine that the president will return to the theater, that he will become a playwright again?

[Havel] Already during the time of my presidency, which is to last until the free elections in May, several theaters presented my plays, and so they actually made up for the time when they were forbidden to do that. The theater has enough material until the time when I shall again begin to devote myself to writing.

[SMENA] Is it conceivable that you would remain president even after May?

[Havel] I hope that enough people will be found who are suitable for that position, or even more suitable.

[SMENA] Are you going to move into this grandiose villa in Hradcany in which your predecessor Husak lived?

[Havel] Certainly not. I am here for the first time just as you are. But I also do not want this house to go unused.

[SMENA] What should be done with it?

[Havel] So far I had two ideas. First, this house could serve me as an absolute sanctuary where I could write my speeches. Besides that, I could continue the tradition of our first president, philosopher Thomas G. Masaryk, who during the first republic met every Friday in Hradcany with a group of intellectuals. In many respects, as far as Masaryk is concerned, I would like to continue in his work to the best of my ability. But I am not a great friend of any cults.

[SMENA] Mr. President, we would also like to talk to you as to a writer. In Kafka's work Josef K. resists his fate and dies. Jaroslav Hasek's Josef Svejek plays a fool and survives. And what about Havel? How is his story going to end?

[Havel] That is a question you should ask the stars or fate rather than me. I do not know how I shall end. I hope I shall not end like Josef K. or Josef Svejek.

[SMENA] What actually drove you to stand on the side of freedom when it was most endangered?

[Havel] That I do not know, maybe God. However, I never thought of myself as a strong person. But if others see me that way, then I am pleased.

[SMENA] Were there moments when you wanted to give up?

[Havel] Maybe it sounds pathetic, but rather than lose one's honor and identity, it is better to die.

[SMENA] What significance had for you the solemn mass in the St. Vitus Cathedral following your election as president?

[Havel] The Te Deum had an enormous symbolic and historic value. I know that I was very moved when I was leaving the cathedral and heard the bells that had not rung for decades.

[SMENA] Was this Te Deum also a reconciliation of the nation with itself?

[Havel] My friend, writer Eda Kriscova, told me that she noticed on the faces of many old communists something like enlightenment.

[SMENA] In the cathedral you knelt. Have you ever knelt anywhere before?

[Havel] Yes, in school, when I was sent to the corner for punishment. I knelt in prison when I washed the floor. And sometimes—although not very often, and mostly in my childhood—I also knelt in church.

Slovak Premier on Internal Situation

90EC0255A Bratislava PRAVDA in Slovak 8 Jan 90 p 2

[Unattributed report: "Address by Premier Milan Cic on Czechoslovak Television"]

[Text] The premier of the SSR Government, Milan Cic, spoke Friday night on the "Actualities" news program on Czechoslovak Television. In his address he said:

"In my brief message on the threshold of the New Year, I presented the goals of the Programmatic Declaration by the Slovak Socialist Republic [SSR] Government, and I outlined solutions through which we intend to continue the moral and economic revival of our society. I wished you a happy, peaceful Christmas.

"Unfortunately, despite the well-deserved rest enjoyed by many people, not everybody could rest peacefully. The disturbing phenomena which have taken place—and moreover, which are escalating—have adversely affected our well-intended resolutions. We have received indications of a growing number of incidents in which certain persons (often self-appointed individuals whom nobody has elected, or small groups which do not represent anyone) are confusing freedom and democracy with irresponsibility, even arrogance, effrontery and brutality in several areas of our public life.

"Instead of a dialogue and objective, principled problem solving, they are spreading a new atmosphere of fear in which peaceful work is not possible. Incidents of slander and settling of accounts are increasing, while feelings of responsibility for group or individual actions are declining. We are aware that once again criminality and other disturbing phenomena are rising, and it is our duty to raise a warning about them; all of us must be persistent in their prevention.

"In cooperation with our civic initiative groups, the SSR Government recently made considerable efforts to restore law and order and to keep our national economy running.

"We have anxiously followed the dangerous developments in Romania, the rising inflation in Poland and elsewhere around us, and rejoiced at successful consolidation wherever good results were achieved. The world followed and is still following with admiration our "peaceful revolution," and speaks with respect of the high political and moral maturity demonstrated by our young people and citizens mindful of Czechoslovakia's democratic traditions. I do not want to assert (and it would not be true) that all this is a thing of the past—of the days and weeks gone by. On the contrary. I am convinced that the substance of all this is still with us. However, on my behalf and on behalf of those to whom you have given your trust, I am obliged to point out without delay some negative aspects and to inform you of the danger that our revolutionary changes and democratic aspirations may be grossly violated and disgraced.

"There are dangerous trends and specific acts which we cannot contemplate without blushing. And this danger is not only continuing, it is growing in some places, as many of you can certainly note in your own neighborhood. Our duty, the duty of sensible, civilized people, is not only to point them out, but to stand up and deal with them.

"In every democratic society, power is held by representative bodies elected by the people. I realize that the monopoly of power in the past also unfavorably affected the system and method of operation of our national committees. However, if during this period of transition, prior to general democratic elections, all our national committees and their deputies are viewed with distrust because of past shortcomings, there is a danger that they may become paralyzed, which would adversely affect the fulfillment of basic public needs. There is a danger of lawlessness and anarchy which again would be most detrimental to honest citizens. Our transition from a monopoly of power to democratic principles must be forthright and at the same time, harmonious, fluent and humane.

"For that reason I appeal to national committee members of all levels to resign from office if they feel that they have lost the trust of our citizens. They would thereby make it possible to rebuild our national committees and their staffs and enable them to fulfill their duties until the elections to general public satisfaction and for the smooth operation of our towns and communities.

"In our national economy, we are introducing new economic principles which serve as the foundation and the essential moving force of every prosperous society. This transition demands an atmosphere of energetic work, tenacity of purpose, and trust in our managing cadres. Alas, even here, many alarming things have occurred in a number of communities in our country; these cannot have a beneficial effect on the operations of production companies and on other aspects of our national economy. Many companies have already held democratic management elections, while others still hesitate even about that step, and such circumstances do not encourage creativity. Moreover, there is a tendency to resort to strikes and other dangerous actions. Some managers cannot give up their old way of thinking and are unwilling to relinquish their positions even in places where it is obvious that they have lost the trust of their personnel.

"On the other hand, these problems must be dealt with rationally, objectively, in accordance with laws and regulations in force, and always solely to the benefit of the case, so that our economy, trade, services and other areas may progress and so that their achievements, responsibility and prosperity do not decline. As the president of the republic Vaclav Havel pointed out in his New Year's address and as other government representatives stressed on various occasions, our government believes that in those areas, reason and genuine public interest will prevail over personal hostilities or unhealthy ambitions of some individuals.

"To resolve these problems, the SSR Government has adopted several measures which will be applied in individual sectors. In the near future, the premier of our government will personally meet with all concerned ministers and representatives of individual branches to discuss approaches to these problems. Above all, on the agenda will be methods of dealing with the inevitable changes of cadres in the ministries and other central agencies, enterprises and unified agricultural cooperatives. Their objective is to choose, in agreement with civic initiative groups, decent and competent individuals—real experts. Additional topics include the overall working atmosphere in sectors and workplaces, natural authority of the managers, and of course, fulfillment of our tasks, supplies to our domestic markets, approved investments, foreign trade, and other operations.

"I should like to add a few words about the progress of the amnesty declared by the president of our republic, which was the most extensive and far-reaching in our modern history. We were motivated by noble and humane aspirations. We were moved by the emotional scenes taking place during the holidays in our correctional institutions. Following the declaration of amnesty and its implementation, the situation did calm down considerably; nevertheless, we were seriously disturbed by certain phenomena.

"The majority of the released prisoners returned to an orderly, straightforward civilian life. However, some released individuals could not control the euphoria of their liberation and committed serious new crimes.

"I appeal again to all released prisoners to protect their honor and not abuse their newly regained freedom, so that they cannot be blamed for acts which they may not even have committed. I appeal to our national committees, workplaces and to our public that they accept the released citizens and help them return to real civilian life. It would really be a poor testimony for us if after such a magnanimous amnesty, criminality would escalate. I appeal to prisoners who remain in correctional institutions that they maintain order in the sense of our agreements, and that they reject any attempts and calls for insurrection which cannot solve anything and which only complicates objective solutions of problems, poisons the whole atmosphere, and provokes harsh repressions which nobody needs.

"I assure units of our Public Security Corps and our regional national committees that the fulfillment of their difficult and demanding services is in our national interest; if they act in accordance to the laws in force, they will enjoy full support of our public. We condemn all acts by which members of our National Security Corps and of the Provincial National Committee were insulted, members of their families attacked, and their efforts to enforce the law and public order were disparaged even by some of our citizens. After all, scrupulous observation of laws, public order and legal guarantees is in the interest of all our citizens and of our whole society.

For that reason we must insist and demand without any compromise that everyone comply with these principles.

"My esteemed fellow citizens, if by joint efforts we can resolve our problems and if we shall fulfill our tasks in this period of transition—before our general democratic elections, I believe that we shall help our beloved long-suffering country and work in accordance with the demands of our current tasks; thus, we shall carry on our peaceful revolution in a dignified way, in the spirit of its democratic and humane principles. Each of us in his community and his workplace will contribute to our people and to the world a testimony for which we will not have to feel ashamed anymore."

Appeal to Anticommunists

90EC0268A Prague LIDOVE NOVINY in Slovak
Dec 89 pp 4-5

[Article by Michal Reiman, written in September 1989:
"Why I Am Not an Anticommunist"]

[Text] When 65 years ago Karel Capek wrote his famous essay "Why I Am Not a Communist," communism was so fashionable that Capek had to explain in the Introduction: "...not to be a communist means to be a noncommunist, not to be a communist is not merely a negation but a certain credo." To be the author of a prophetic essay about the decline of man is, it appears, easier than to prevent the decline by such an essay. Capek did not prevent a communist victory by his humanistic analysis. But his dark foreboding was fulfilled and along with it the hope that communism will lose its attractiveness for intellectuals as well as workers. Reduced today only to a technique of dominating a disgusted majority by a privileged minority, it is dying away fighting. And on its ruins an opposite policy is thriving—anticommunism. I think about Karel Capek when I am preparing to write a similar article on principles: "Why I Am Not an Anticommunist."

Capek wrote his essay at a time when he was not in danger of being accused of the criminal act of agitation according to Paragraph 100 of the Penal Code, at the most he was suspected of intellectual eccentricity. But when I do not find publicly anything good about communism, it infuriates the authorities and when at the same time I distance myself from the fashionable anti-communism, I risk not having another audience either. And so I paraphrase loosely after Karel Capek: To be neither a communist nor an anticommunist means to be a noncommunist, to be neither a communist nor an anticommunist is not just a double negation but a certain credo.

I have the luck to move among decent people, and so do not meet anyone who espouses communism. I know only a few communists who espouse decency. But from among the decent people I know many who, theorizing how to restrain communism, the unpleasant legacy from the past, say: "I am an anticommunist. Not in the

philosophical sense, but a practical one. When those crooks say they are communists, what else but an anti-communist can I be?"

When I think whether anticommunism is the antithesis of communism, I say to myself: Hardly. They have a lot in common.

In the first place, hate. It matters little what people who bear hatred consider an evil or a good thing because the product of hate is always the same—violence. And violence necessarily breeds more violence.

But anticommunism draws another lesson from communism: it uses tactics. It is not surprising that it is precisely the anticommunists who today are loath to "declare" themselves, who know how to explain so rationally why they do not take part in the demonstrations for freedom, or whose signature is missing on the letter demanding the release of political prisoners. Because only those who will take risks have a positive program. Capable of solidarity is a true Christian or a democrat. Not an anticommunist. His program is negative. He is capable of destruction but not risk taking. His goal is to punish, not suffer. Anticommunism therefore has one more thing in common with today's communism: cowardice.

To the question whether to be a communist or an anticommunist, there is a simple answer: one must be a noncommunist. And because any policy which is something more than merely a negation of another policy, is more attractive to those who are oriented to life (that is, to reconciliation, to love), it hardly makes sense to emphasize face to face to the ruling evil in what we are unhappily alike. I think that it is essential to grow and reinforce ourselves in what we differ from the negativists.

Communists have been carrying out the transformation of society comprehensively. No area of life went untouched by their solicitude, from politics to economy, culture, education. A general distaste toward everything old was, to be sure, a source of constructive enthusiasm with which Capek did not reckon; well, the result of that enthusiasm is that today we regret what was destroyed and at this time do not know how to get rid of what was built. Anticommunism again calls for destruction. I see its danger in the fact that it overstates the influence and power of communism, which during its existence inflicted so many crushing blows on itself that today it is on its last legs, both in the human and the economic sense. Its last chance is to find an enemy and conquer him in a victorious struggle. This system is capable only of that, but it can do that very well. Anticommunism starts with the wrong premise that reality can only be changed by defeating communism. Noncommunists know that only by changing reality is it possible to get rid of communism.

An anticommunist considers it unprincipled to carry on a dialogue with communists who are responsible for the dismal state of the country. To noncommunists it is clear that communists cannot hold their own in a dialogue

about principles, that they totally lost the ability to think realistically and politically. A noncommunist insists on a dialogue because he does not wish for a civil war, in which he could not hold his own.

It was precisely in the question of a dialogue where Karel Capek was particularly unfortunate 65 years ago. Communists, with whom he could not find a common language, were according to his testimony endowed with a "strength of conviction that is almost superhuman," and "in every little thing." But whereas Capek used to meet communists who were at the threshold of an historic experiment, had confidence in their future, and to whom applied the latin "enthusiasme vertu est," we travel in streetcars and sit at tables in factory cafeterias with communists who have their historic experiment behind them and view its future with scepticism.

The nature of the system, which under all circumstances and by any means strives for monopolistic power, is naturally responsible for the fact that at the top of the power structure is concentrated human ruthlessness, selfishness, and lack of principle, that intrigues thrive there better than responsibility, lies and self-deception better than truth. But this concentration of human baseness is for noncommunists as well as for the rank and file of the party merely the definite proof that the road does not lead in that direction. The buttress of the totalitarian regime (which easily changes its name and representatives, and retains its essence) can only be—anticommunists. Otherwise, those well hidden, those warped into tactical obedience are today the support of the dying communism.

A better society than the one we have will be one in which power is held by someone else, one in which the monstrosity of a totalitarian power capable of anything does not exist. The ideal society is not the one in which everybody agrees on everything, but one in which all agree on one thing: respect for life. Today a noncommunist already has all the reasons for a positive credo—to unite not in hatred but in understanding. He thinks about the future when decisions about those things on which it is necessary to unite will not be made by a militant minority or an indifferent mass, but by those in the nation who will prove to be the most professionally competent and who will be morally acceptable to the nation. I am a noncommunist, because I doubt that today's communists or noncommunists will prove to be such. Both are equally intorelably united on what they do not want, and therefore what they do want is intolerable. In their unity there is obviously strength, but there is no humaneness in their strength. I am a noncommunist because I long for the victory of humaneness, which can be achieved only humanely. And I am a noncommunist because I am a realist: if the future is not humane, then it is of little importance in what manner it will be inhuman.

Whether communists, or anticommunists, will continue to win elections in this country, whether the government will continue to burden our children with debt and

ravage nature, whether able and sensitive people will continue to leave this country does not depend on the hatred with which the working people will observe it and comment on it. A decent future depends on the ability of decent people to bring to their environment something more stimulating and beautiful than that hatred.

HUNGARY

FIDESZ Journalist on How He Taped Secret Documents in Wiretap Scandal

90EC0245B Budapest MAGYAR HIRLAP in Hungarian 22 Jan 90 p 3

[Interview with Zoltan Lovas, a journalist working for FIDESZ and Fekete Doboz, by a reporter on the MAGYAR HIRLAP staff: "Fekete Doboz Gained Entry With a Pass"; Fekete Doboz (Black Box) is a Soros-sponsored candid camera series on TV; date and place of interview not given; first paragraph is MAGYAR HIRLAP introduction]

[Text] How did the Fekete Doboz staff gain entry into the headquarters of the Hungarian State Security? How were they able to videotape there the documents that television viewers could see Friday night on Channel Two's late evening news roundup? These were, among others, the questions we asked Zoltan Lovas, the FIDESZ and Fekete Doboz journalist who prepared the mentioned TV report.

[MAGYAR HIRLAP] The late evening news roundup did not reveal just why Major Vegvari contacted specifically the SZDSZ and FIDESZ at the midnight mass held on Hosok Tere.

[Lovas] The fact is that the major approached a priest, Gabor Roszik. And the public should also know that, through this priest, the major sought to contact specifically Fekete Doboz and me personally, rather than the organizations you mentioned.

[MAGYAR HIRLAP] TV viewers were also wondering how and when you were able to gain entry into the State Security building.

[Lovas] Jozsef Vegvari was the duty officer on 25 December. In addition to him, only another officer and a porter were in the building. But these two persons were absent from the building between 1400 and 1600 hours, and that is when we entered it. And we did not enter illegally, but with the blank gate passes to which the major had access. During these two hours we prepared the videotapes, some of which the public was able to see on TV.

[MAGYAR HIRLAP] But 12 days elapsed before you went public with all that you had learned. In other words, you waited and timed your first report.

[Lovas] There was never any question of timing. We made our revelations public at the first available opportunity. During those 12 days we had at least 10 more meetings with Major Vegvari. We made the videotapes, some of which were shown Friday on the late evening news roundup. We also received many other documents from him. And we also had to make sure that this was not some sort of provocation. I am able to confirm that the initiative came from the major himself, and that he voluntarily gave us the documents we have made public.

[MAGYAR HIRLAP] In a short article entitled "Black Box-gate?" in VASARNAPI HIREK yesterday [21 Jan 90], Laszlo Losonczy Vass claimed that for the past week and a half Fekete Doboz has been renting a clandestine apartment on Nephadsereg Street and has been filming from there the people entering and leaving the "Interior Ministry facility." Presumably he had you in mind.

[Lovas] I have just described to you how we obtained the documents and learned of the facts. We are not renting any apartment and are not engaged in any spying. We intend to sue both the author and the newspaper for libel.

[MAGYAR HIRLAP] Why did you go public with Major Vegvari specifically on Friday?

[Lovas] At his request. Hiding was getting on his nerves, and he was also under moral pressure. Therefore he preferred to place himself under the public's protection.

Interview With MSZP Spokesman, Polgar

90EC0224A Budapest NEPSZABADSAG in Hungarian
28 Dec 89 p 7

[Interview with Viktor Polgar, the new spokesman of the Hungarian Socialist Party, by Andras Kereszty: "Gerashimov Is His Role Model"; date and place not given; first paragraph is NEPSZABADSAG introduction]

[Text] He is 43 and has spent 15 years of his life abroad, in North America. He had already lived there in his youth: His father, the prominent TV personality Denes Polgar, was Washington correspondent of MTI. Viktor Polgar had a brilliant future in the foreign service. He began as second secretary of the Hungarian Embassy in Washington and ended his tour of duty there at the rank of counselor, in recognition of his work as cultural attache. He was in line for an ambassadorship, but will be party spokesman instead, at the Hungarian Socialist Party [MSZP] leadership's request.

[NEPSZABADSAG] But for the mixed metaphor, I would say that you are a parachuter [party official who switches to a safe job in the civil service or the economy] in reverse.

[Polgar] It has not been an easy decision to leave the Ministry of Foreign Affairs. Not only because I enjoyed very much the ten-odd years I worked there, but also because this is an entirely different environment and poses an enormous challenge.

[NEPSZABADSAG] You have not worked in the party apparatus before?

[Polgar] No, never. I do not know, of course, what it is like in general to work for the party apparatus, and the elapsed time has been too short for me to rate my present workplace. Anyhow, the responsibility is much greater, and the scope for decisionmaking much broader, than within the state apparatus. That is quite obvious. More than 500 persons are working in the Ministry of Foreign Affairs, but merely 100 in the [MSZP] National Office.

[NEPSZABADSAG] How many superiors do you have?

[Polgar] My superiors are the Presidium and the head of the National Office, respectively.

[NEPSZABADSAG] In other words, there are few superiors, and the staff is small.

[Polgar] That in itself does not matter. After all, this party's strength does not lie in [the size of] its apparatus. Its strength must lie in its supporters, and perhaps even more in the persons who are not members of the party but sympathize with the ideas and policies that the Socialist Party advocates in its program. Under a democratic system it is simply impossible to imagine any party winning an election with only the votes of its members. That would be absurd. To the questions of tomorrow the party apparatus, and the party members as well, must formulate answers that will win the confidence and support of a significant proportion of society.

[NEPSZABADSAG] Working at party headquarters used to be a stepping stone to advancement in the past. Will it now be an obstacle to one's career?

[Polgar] I firmly believe that Hungary is Europe, not only in words but in deeds as well. The real stake in the Hungarian political game at present is the 21st century, rather than power. Every sensible [political] force must realize this. Speaking of which, we are dwelling closely on the past, for reasons that are understandable both from the viewpoint of the individual and of society. But we are too preoccupied with the past and are not devoting sufficient attention to the future. Yet, the future is our quintessential question. The nation, I am convinced, should shake itself and say: Very well, let us think through, seriously and resolutely, what we want to do to extricate ourselves from this quagmire, this wallow. And once we are on solid ground, how to proceed further? This [question] has a million components. The thesis that the material base determines our lives will perhaps be recognized by society and might be retained from Marxism. On the other hand, the political system also determines our lives. But we should concern ourselves at least as much with our system of moral values, with our own moral maintenance. A person cannot turn his eyes 360 degrees. We have to take a deep breath and say: This is the direction in which we will start out.

[NEPSZABADSAG] But the start, putting our shoulder to the wheel, is influenced also by factors of social psychology. We saw also in America what it meant when a Reagan came along and announced that a new dawn was breaking over America, and if he was elected....

[Polgar] Precisely that is the point. If Reagan deserves credit for anything, it is for restoring the self-esteem of a nation that had been in a crisis for about 15 years. Because of the war in Vietnam, Watergate, the racial issue, and because economically America came close to abandoning its world leadership when its position was undermined. The crisis eroded the country's superpower interests. Speaking of America, there are one or two things that we will have to confront sooner or later. The United States is now in fashion in Hungary. Many people like America, which is very important. But one must also realize that the United States or America, North America as a continent, is farther from Central Europe than from any other part of Europe. No matter how much someone would like to do so, Hungary cannot be moved 4,000 to 5,000 kilometers closer.

[NEPSZABADSAG] How many years have you spent in America in all?

[Polgar] Fourteen. Including four years in my youth; I attended secondary school there. Then, as a career diplomat, I spent five years in Canada and another five in Washington.

[NEPSZABADSAG] Even if our country cannot be moved closer to America, there nevertheless are many things a spokesman is able to learn from the American spokesmen.

[Polgar] Excuse me. I did not say that we should not pay any attention to America. What I dislike is uncritical adulation, and not only of America. It does not appeal to me that something is being done this or that way in Japan, the FRG, Kamchatka, or Bulgaria. Let us be on the lookout for what can be introduced in Hungary. But it was slavish imitation, often forced imitation, that swept the country into difficult situations in recent decades. And so far as spokesmen are concerned, I am convinced that the spokesman is not an American invention. Perhaps the Americans merely discovered sooner than we did that there is no better propaganda than complete information. After all, propaganda is not a dirty word. That it has been discredited is another matter. I believe in the importance of keeping the public informed, and I also believe that every adult member of today's European societies is able to make up his own mind when he is in possession of reliable facts. It is unnecessary to say that some phenomenon is good or bad. The phenomenon has merely to be presented, and then society itself can decide whether to judge the given phenomenon as good or bad.... The role of the spokesman is important. You might say that he represents an organization, an institution, a movement, or an entire country.

[NEPSZABADSAG] The responsibility you mentioned....

[Polgar] I do not wish to compare my position with anyone else's, and it would be grotesque to do so. But just think of what Gerasimov alone has done to alter the image formed of the Soviet Union over eight decades.

[NEPSZABADSAG] Yes, Gorbachev needed a Gerasimov.

[Polgar] He did. Gerasimov, of course, is not the chief Soviet spokesman. Gorbachev himself is the chief spokesman for the Soviet Union.

[NEPSZABADSAG] But Gerasimov is authorized to speak out. He does not show any signs of fear or anxiety. Are you not afraid of personal or political repercussions for saying something?

[Polgar] Although I have not looked up the definition, I consider the spokesman as a person who says, on behalf of another person or a body, whatever that person himself, or that body itself, would have said. The spokesman has vast discretion in how he expresses what he has to say. But he does not formulate policy; he merely transmits it.

[NEPSZABADSAG] He has to think along the same lines as the body that he represents.

[Polgar] Nothing could be more basic than that. He has to think the same way as his principal. The spokesman holds a position of trust.

[NEPSZABADSAG] It is not possible to think now the way the MSZMP did. There are at least two large platforms. Generally speaking, this party [now the MSZP] is a federation of platforms debating one another.

[Polgar] The honest and necessary thing for me to do is to represent the party, and not this or that platform within it. After all, the MSZP is neither an umbrella party comprising many parties, nor a coalition of parties. It is a single party, one within which platforms may function according to specific rules. It is immensely important, you might say, that this party speak from many mouths, but in one tongue.

[NEPSZABADSAG] You are accustomed to appearing before the public. I remember that in America you were often on TV, being interviewed, delivering speeches and lectures, or acting as interpreter. Is it any different for you to appear before the public now?

[Polgar] It is different. Then the stakes were incomparably small. Now it is frightening to appear before the public. Whenever I listen to a replay of my statement, speech, lecture, or translation as an interpreter, I always feel that my performance was horrible.

[NEPSZABADSAG] What did it feel like to come home from America after five years?

[Polgar] I was extremely happy to come home in the summer of 1988, at a time when practically everyone else longed to be out of this country, either as a tourist or worker, or some other way. But I felt like someone who misses the start of a play, arrives at the theater late, and attempts to break through the crowd into the vestibule when the audience is already coming out. But I was very glad to come home also because one could see even from Washington that politics in Hungary had become very exciting. It is wonderful to represent Hungary at times like that. I cannot imagine anything better than to represent one's country abroad when something positive is happening at home. Nevertheless, I longed to be home and to take part in everything. Well, I will now be able to take part extensively.

[NEPSZABADSAG] You arrived at the MSZMP and ended up in the Hungarian Socialist Party.

[Polgar] Had someone told me then, in August of 1988, that this was what the party would be like.... Perhaps there were people who thought so. But had anyone told me this outright, I would have urgently asked that person to tell me also the winning numbers in next week's lottery.

[NEPSZABADSAG] And what is the party like? How do you regard the Hungarian Socialist Party?

[Polgar] I regard the MSZP as a party of great opportunities. First of all, I think that leftist interest, sentiment, and ideology do exist in Hungary. I believe this. I do not think that the proportion of leftist support is really much worse than in Western Europe. There the Left and the Right enjoy popular support in approximately equal proportions, which I am unable to quantify; but there is also a significant Center whose support depends on what happens to be its outlook at any given time, and it is this Center's swing vote that usually decides the outcome of elections. I firmly believe that this same alignment exists also in our country. Therefore I am convinced that the Left does have a role in Hungary. And I do not think that the 700,000 members who remained in the party until the end of September 1989 were all opportunists without exception. I am certain that, in the final outcome, this type of—how should I put it?—presentation deeply offends the self-respect of numerous persons. Moreover, I feel that this offends the nation's self-respect. The past 40 years can be criticized, analyzed, and dissected. But the lives of the people who lived here during those 40 years cannot be dismissed by simply telling them that what they did was wrong. That they have been entirely superfluous. By various calculations, 40 years roughly equal one and a half or two generations. A nation cannot afford to simply discard the lives and work of one and a half or two generations. No nation in the world, let alone in Europe, would do so.

[NEPSZABADSAG] The opposition is emphasizing that Hungary reached its human, intellectual, and historical low point by the end of Kadar's tenure, and that it was the shadiest and most corrupt regime ever in Hungarian history.

[Polgar] A lot of tension has indeed accumulated here in recent decades, and I think that we really must release it. However, no party can remain in power for 40 years without becoming corrupt. It does not even take 40 years for that to happen. What brought down the Japanese Government recently? Corruption scandals did. At one time we were constantly reading about how one or another American airplane manufacturer had bribed an entire series of countries and governments. On the other hand, I think that our domestic scandals were hardly as dirty as these bribery scandals, or as the scandals now coming to light in other Eastern European countries. And there is no police force without abuses. Hungary is hardly the only country where the police in some instances exceeded their authority, laid unfounded charges or even broke the law. Everyone in our country is concerned about the breakdown of public order and security on the one hand, but uses every opportunity to vilify the police on the other hand. I certainly would not like to be a policeman on the street in this country. How many American films are there about corrupt policemen or sheriffs? Yet America still believes in its police.

[NEPSZABADSAG] Because the people believe that America is a democratic country.

[Polgar] There is democracy and also self-confidence in America. Democracy in America is neither better nor worse than in, say, Holland where not just two parties are competing for power. It is neither better nor worse than in Italy, where a government often lasts only a few weeks. The Italians believe in their democracy. Now I, too, believe that there can be democracy in Hungary. But let us revert to the example of the policeman: For a policeman to be able to function in a democracy, the police and society must both be self-confident. And there must be mutual trust between them.

[NEPSZABADSAG] A party cannot exist without self-confidence, either. My impression is that this very self-confidence is lacking in the Hungarian Socialist Party.

[Polgar] This party may be a successor party, may have legal continuity, and so on. Yet, in many respects, it is something brand new. After all, it has discarded—merely—the very foundations on which its predecessor was built: the dictatorship of the proletariat, democratic centralism, and the principle of organization. And it has eliminated the party apparatus.

Nevertheless, some members of the old apparatus are still left. Many members of today's opposition—and I am not raising this as an accusation against them—won their name and established their reputation under the system that existed in Hungary. Recsk, too, is in Hungary. And even though someone was [imprisoned] in Recsk, he is still responsible to the country. I know that this is how they, too, feel about it. After all, many of them are engaging in politics in this manner. Yes, they too are responsible to Hungary. National affiliation is not something that can be dropped and picked up again. But the Hungarian who renounced his citizenship is

unable to convince even his neighbors that he is not of Hungarian origin. This is the nation into which we were born, this is our common destiny as well as our joint responsibility.

Thurmer on MSZMP: Fighting Against Right-Wing Danger

90EC0266A Budapest MAGYARORSZAG in Hungarian No 4, 26 Jan 90 p 18

[Interview on 20 Jan 90 with Gyula Thurmer, MSZMP [Hungarian Socialist Workers Party] president, by Csaba B. Almasi: "Breaking With the Past"; place of interview not given; first paragraph is NEPSZAVA introduction]

[Text] At its congress in October 1989, the MSZMP, the onetime state party, ceased to exist in its previous form when a majority of the delegates established the MSZP. But a part of the membership disagreed with this decision and organized the MSZMP anew. To emphasize its continuity, this old-new party held its 14th Congress in mid-December. Having been unable to finish its business then, the congress will reopen on Saturday of this week [20 Jan 90]. We seized this opportunity to interview Gyula Thurmer, the party's president.

[MAGYARORSZAG] A month ago your congress adopted new party rules and elected a new leadership. What was the membership's response to these decisions?

[Thurmer] After my visits to the provinces, I may safely say that party members are very satisfied. They welcome the democratic atmosphere of the congress and its resolutions—for example, that the membership has the final say on all important issues. And they are pleased to see the many new and younger faces in the leadership: more than half of the Central Committee's members are under 50. We have broken with the past also in the sense that only two of the MSZMP's former leaders—Károly Grosz and János Berecz—are now members of this body.

Against Extremes

[MAGYARORSZAG] One feels that so many members of the younger generations have been elected to lead the party merely to compensate for the majority of elderly members within the MSZMP.

[Thurmer] I would be more inclined to say that the vote of confidence for the generation now in its 30's and 40's reflects the wisdom of the party membership. Moreover, we believe that we cannot relinquish the representation of the two million retired persons in Hungary, nor can we dispense with their support. Therefore we welcome them to the party. But the frequently voiced contention that we are merely "the party of the elderly" is at odds with the facts. To wit, a substantial proportion of the generation now in its middle age—especially many blue-collar workers, engineers, and technicians—have contacted us in recent weeks, either with the intention of joining the MSZMP or merely as sympathizers.

[MAGYARORSZAG] There was no time in the first half of your congress to debate the draft of your policy statement, and you will be making up for that omission now. Could you briefly outline the contents of that document?

[Thurmer] We intentionally did not place that item on the agenda then because the delegates felt that the adoption of party rules and the election of the party leadership—establishment of the prerequisites for the party's very existence, in other words—were their tasks of primary importance. At the same time, it is more democratic to first let the members debate the draft in the party locals, and then to incorporate their suggestions and guidelines into the document.

The main points of the policy statement—which, incidentally, may also be perceived as the party's platform—are as follows: As a modern, democratic party espousing Marxism, the MSZMP starts out from the basic premise that a strong shift to the right is now taking place in Hungary. Attempts at bourgeois restoration are evident in politics and the economy, and the danger exists that capitalist relations might be restored. In contrast to this, our party supports popular democratic government and wants a parliament in which the leftist forces are definitely included. We are setting as our objectives the maintenance of law and order and the establishment of social stability. We oppose extremes: anticommunism, anti-Semitism, and nationalism. We are for human and civil rights, spontaneous organization, and self-administration. So far as our economic plans are concerned, we favor retaining the dominance of collective ownership. We will be able to achieve economic results by operating this form of ownership more effectively, through workers councils, leasing, and employee stock ownership plans. We definitely oppose the dissipation of state assets, as well as extensive and often hasty privatization. We are against dissolving the agricultural cooperatives: Land should be farmed better and more effectively, rather than returned. Economic conditions more favorable to the agricultural sector must be created, and the gap between the relative prices of farm products and industrial goods must be closed. We encourage business ventures and capital investment, but at the same time the rights of working people are always in the forefront of our attention. We support the efforts to liberalize wages. In our opinion, the lowest pensions should be increased to 5,000 forints, and 20,000 forints should be the maximum limit for pensions. In summation, we believe, the Hungarian economy will be able to extricate itself from the present mess if everyone works hard. What this requires, however, is not the restoration of capitalism, nor the sale to foreigners of the assets that belong to collectives.

Socialism Is the Objective

[MAGYARORSZAG] From this listing and your earlier points, it seems to me that other parties have already adopted some of your planks while other planks were included also in the platform of the old MSZMP.

[Thurmer] It is not surprising that the platforms of the parties are similar. After all, we are living in the same country, under the same political and economic conditions. In one respect, however, we do differ from all the other organizations. The long term objective of the MSZMP is socialism, the creation of a viable society that provides equal opportunity for everyone, and where a privileged 100,000 or 200,000 individuals are not the only ones to enjoy prosperity and independence. For that is what capitalism's social conditions lead to.

We are not striving to reform the past four decades that bear the old MSZMP's hallmark. Namely, the mistakes and crimes committed are not typical of socialism. To the contrary, the harmful phenomena encountered during that period—the bureaucratism, the absence of democracy and of public oversight, and disregard of the people's will—are completely foreign to socialism's philosophy. These phenomena then led to the development of unsuitable political mechanisms and enabled unfit political leaders to gain power. Our party is distancing itself from all this, but not by saying so daily. And we do not intend to conduct witchhunts, either.

In spite of all these mistakes, the results our country achieved are undeniable....

[MAGYARORSZAG] A glance at other regions of Europe will suffice to show that those results could have been much better.

[Thurmer] There are also centuries-old political and economic reasons behind the faster development of certain European countries. As I was saying, it may certainly be regarded as a result that we created permanent job opportunities for working people; that our educational system functioned well until recently, and that we can be proud also of our free health care. At the same time, we were able to create social solidarity, and our foreign policy opened a window onto the world.

[MAGYARORSZAG] Had we accepted in the 1970's the unemployment that the economy's restructuring would have caused, had we admitted that the system of so-called free services was undermining the quality of health care, and had we uncovered the shortcomings of our educational system, then this is not where we would be today. And our activity in the area of foreign policy was not unambiguously positive, especially not if we consider our relations with neighboring countries, in the matter of the Hungarian minorities, for example.

[Thurmer] I agree that the previous regime was often late in responding to the challenges of the times. It refused to accept the consequences of structural change, the social conflicts. Had we undertaken much sooner the steps that now can no longer be delayed, the transition would have involved far milder upheavals. But I would like to reply specifically to the question of education. It is an indisputably favorable result of the past 40 years that every person, regardless of family circumstances, has gained opportunity

to study and obtain an education. Thanks to this, the disadvantaged children and youths from poorer families were able to climb out of their environment and to score successes in their work and careers. The careers of many of the country's leaders illustrate this.

[MAGYARORSZAG] There will be parliamentary elections in our country two months from now. All of the serious political forces have been distancing themselves from your party, at least up to now. For that very reason, with whom are you seeking to cooperate and perhaps form a coalition?

[Thurmer] We are ready to cooperate with the MSZP and are confident that its leadership will recognize its political responsibility as a socialist party and the will of its members; and that it will not follow the political fashion by discovering its identity merely in drawing the line between itself and the MSZMP. In that case we would be able to act jointly and effectively in countering the ever-greater right-wing danger. They must realize that an anti-MSZMP left cannot exist today. Furthermore, we have already established good relations with certain industrial unions, and we are open to the left wing of the Social Democrats. But the list is still far from complete.

[MAGYARORSZAG] One whose votes are you counting? And how do you rate your chances, especially in view of the fact that only about five percent of the voters followed your recommendation and voted 'No' in the referendum held late November?

Way Out Offered

[Thurmer] I do not consider the outcome of the referendum as meaningful. Many of our sympathizers did not go to the polls. Otherwise, in addition to the votes of our party members (we already have over 80,000 members), we are also counting on the support of those who have come to recognize that wide-scale restoration of private property and bourgeois democracy do not serve to create better living conditions for the workers and will make the lives of millions of people miserable, at least in the short and the medium term. We are relying on the support of those who remember the achievements of the past four decades, the predictable policies and secure livelihoods; and who received more from the socialist state than what they lost because of bad mechanisms. And we are counting on the help of those who, after reading our platform, believe that the MSZMP offers not only a privileged few a way out from the present crisis, but is fighting for the welfare of every Hungarian.

However, I do not wish to make any predictions. We will run candidates in every election district we can, and we will be supporting the left-wing candidates in those election districts where we could not field our own candidates. Naturally, our aim is to win as many parliamentary seats as possible.

Political Parties on Election Campaign Funds Issues

90EC0230A Budapest NEPSZABADSAG in Hungarian
15 Jan 90 p 6

[Unattributed article: "Party Panorama: Campaign Secrets, Rolling Forints—What Does It Cost To Have a Representative?"]

[Text] The election campaign machinery has started up. In asking certain questions from the various parties we tried to find out the resources they use to finance their campaigns and the cost of their election campaigns, about their main program elements, the constituency they are addressing, and last but not least, the kind of result they would regard as success or failure. We also intend to ask the same questions from other parties.

Our montage includes several statements with which we do not agree, even to the smallest extent. Nevertheless, we will not shrink from publishing these in the interest of objectively informing our readers and of illuminating the parties' profiles. And something else: With the help of the table everyone can decide for himself the extent to which statements concerning election campaign costs correspond with reality.

Hungarian Socialist Party [MSZP]: Jozsef Meruk, Campaign Manager

"It is well known that the socialist party's financial resources consist of membership dues paid, and of voluntary contributions and gifts. Considering the fact that this is a national election, and that we are running candidates in every voting district, we are considering the idea of taking out loans, quite naturally. We do not want to mislead the public by stating a ridiculously low amount for the needed and expected election campaign budget. We regard the free elections scheduled for March as a national cause. For this reason the socialist party will not rely on foreign resources, and agrees with the desire expressed by the populace that political groups financed from abroad should show their colors: what amounts they have received from where to finance their spectacular propaganda actions.

"Incidentally, the socialist party asks that monetary gifts be deposited to the following checking account: MSZP Election Fund, Hungarian National Bank [MNB] 235-90172-6797. We would need approximately 200 million forints in order to conduct the campaigns of 176 candidates running on an individual basis in the various voting districts, as well as the county and national campaigns at the appropriate level, to ensure that these campaigns are sufficiently effective. Our election staff is functioning already; it is known that Imre Pozsgay is the political coordinator.

"The preliminary theses for the socialist party's election campaign have been prepared; they have been debated and agreed upon by the National Board. I would also add that we did not have to start from a zero base in accomplishing this. Only three months have passed since

our congress, after all. There we adopted a modern socialist program statement which also serves well as an election program. Our relationship with the past is different, consequently we also envision our tasks differently. In this region we were first to recognize the need for a radical departure from concepts professed about socialism thus far, because those concepts were unsuitable for keeping the country in step with the world. And as long as this is true—and an overwhelming majority in Hungarian society agree with this—we must choose a fundamentally new social and economic development strategy, one that builds on left-wing socialist values at the same time.

"The Socialist Party conducts its activities in the spirit of the European left, and intends to establish its basis in society in this way. Starting with the latter: We want to be the party of people who are capable of making a living on the basis of their physical or intellectual work. These days certain parties gladly underscore the fact that they are the "nation's party." They are able to say this because they are new, (or newly functioning) parties, and because the first free elections are still ahead. Within a few months, however, we will be aware of their specific, practical goals, and we will recognize the social strata whose interest protection they regard as their primary tasks. The age of illusions about an "all-national" concept will soon fade away.

"We do not want to make promises; we urge instead that firm steps be taken, steps which lead us out of the crisis after a few tough years. Undoubtedly, today's most urgent tasks are crisis management and the acceleration of structural change. There will be no integration with Europe in the absence of comprehensive social and economic modernization. But we intend to link this to the protection of socialist values. In simple terms: We want to have a modern structure along with the lowest possible level of unemployment. We are for entrepreneurship, but we advocate the recognition of work performance. We feel that it is unavoidable to have variations in income depending on work performed; at the same time however, we advocate equal opportunity and effective social care for those who experience disadvantageous situations that are not their own fault. There can be no market economy without realistic prices; at the same time today we regard accelerating inflation as public enemy number one. Finally, we profess that a diverse proprietary structure is needed, as compared to the excessive nationalization of past decades. Nevertheless, we link this to real communal and worker-employee ownership.

"We would regard a group of representatives of a respectable size in a freely elected Parliament as a good result."

Hungarian Democratic Forum [MDF]: Lajos Posze, Campaign Manager

"The MDF election fund is derived primarily from money amounts provided by the government for the

elections, for nominees running for representative mandates. Pursuant to law, and according to our plans, this money may be used by MDF organizations and MDF nominees in the various election districts. In addition to central support, we are also counting on small or large gifts from those who sympathize with us in Hungary and perhaps abroad. We cannot even estimate the amount of such gifts, but it is likely that they will not be of a considerable size. In addition to campaigns conducted in local election districts, there is a need to conduct campaigns for county and national slates, in other words there is a need for a central campaign, primarily with the help of television, radio, and daily and weekly newspapers. We are well aware of the fact that all of this does not cost small amounts of money. For this reason it would be fortunate, perhaps, if parties were given the opportunity for several free-of-charge introductory presentations, instead of removing limitations on broadcast time for paid political announcements.

"Matters of national fate are the central issues of the MDF program. Accordingly, the MDF does not intend to represent narrowly construed party interests, but wants to deal with problems that affect the nation as a whole (national independence, a shrinking population, mass impoverishment, the situation of Hungarians beyond our borders, etc.). For this reason, we are not targeting individual social strata in the course of our campaign, but trust instead that the entire nation, irrespective of age, occupation, and religion, will recognize the sincerity and suitability of our program. Considering timely matters, I would assign first priority to the permanent liquidation of privileges.

"It is very difficult to discuss changes, because we may also pose the question this way: Is it at all possible to win in the midst of the existing political and economic circumstances? Nevertheless, the MDF cannot avoid assuming this responsibility—it cannot do so. In any event, however, a 30- to 35-percent representation in Parliament would indicate that the MDF has found its place and has used its weight in the changed Hungarian political situation, while results at or below 20 percent would obviously prompt the MDF to rethink its program."

Hungarian People's Party: Csaba Varga, National Secretary, Director of Organization and Elections

"We are counting on ourselves. Our party has not received foreign assistance thus far, and no concealed channels in Hungary have provided financial support. According to our plans the Hungarian People's Party will run in each individual voting district, as well as in all countywide and national slates. We will receive about 10 to 11 million forints in state support if we are able to muster the signatures needed for candidates to run in each precinct. This is the amount of money we have, or could have for the campaign.

"As the successor to the National Peasant Party, the Hungarian People's Party targets the Hungarian countryside, ranging from tiny villages to small towns. And as

one of the parties of the national center, it represents a middle-of-the-road economic policy. We unequivocally state that one cannot think only in terms of a free market, because 80 percent of the citizens would instantly become subordinated and dependent if a market economy were to be suddenly introduced. This is because 80 percent of the citizens have no capital, land, means of performing work, market knowledge, etc. of their own. For this reason radical proprietary reform is needed. What has thus far amounted to state private property [as published]—in agriculture, commerce, and industry—must be broken down into real communal and autonomous property. We profess that only an economy based on free enterprise and secure ownership may be viable. All of this, however, must not lead to the servile copying of the Western pattern. Eastern exploitation must not be exchanged for Western exploitation. We are convinced that capital can be managed efficiently not only by individuals, but also by communities.

"Accordingly, our party stands for an economy based on mixed ownership. Along with entrepreneurial ventures we would like to establish a balance which serves as the basis for social justice and peace in society. We wish to liquidate privileges which conflict with the sense of justice. The People's Party regards the enjoyment of existential security by, and the existence of work opportunities for, every person as a particularly significant task. The party is opposed to the irresponsible squandering and selling out of state property, and any attempt which enables some to illegally amass huge fortunes in the course of dismantling state property. We will do everything possible so that those in power do not place the burden that accompanies the needed economic and social transformation upon the shoulders of working people, of those who make a living by earning wages and salaries, as those in power do at present. We regard it as our special task to ensure that pensions retain their value. The People's Party also believes that along with a Parliament which functions pursuant to democratic principles, there is a fundamental need for the evolution of genuine autonomous governance in the framework of which the people's political consciousness may come to fulfillment, and in which politics in pursuit of partisan interests may be offset. Such autonomous governance should replace the present burnt-out, upside-down, failed council system.

"Three definitive political forces will clash in the elections, in my view. One is the socialist, social democratic trend gathered around the MSZP. The second will be an anarchistic, neoliberal trend composed of the Alliance of Free Democrats, the Association of Young Democrats, and certain social democratic circles. The third path—and this is where the Hungarian People's Party belongs—will be a national centrist trend, represented by the MDF, the independent smallholders, the Christian democrats, a substantial part of trade unions, and the agricultural alliances. I see a chance for the evolution of a stable Parliament and a government that is capable of functioning if this center wing acquires a majority of the

votes. After so many crises, this kind of Parliament and government would be able to start the nation on its upward path at last. I would regard a less than 50-percent vote acquired by this national center as a misfortune."

Alliance of Free Democrats [SZDSZ]: Tibor Vidos, Managing Secretary

"From among all the questions I am able to respond only to the first question. This is because the timing of the publication of the answers to the remaining questions constitutes an organic part of our election campaign.

"SZDSZ received 10 million forints in central election campaign funds. SZDSZ groups active in individual voting precincts may utilize other resources to support their nominees. Thus there can be no accurate estimate for the total cost of the campaign. We intend to cover campaign costs from membership dues, gifts, and loans."

Association of Young Democrats [FIDESZ]: Janos Ader, Election Campaign Chief

"To start our campaign, we will use support received from the state budget in proportion to the membership size we reported. Since despite all the rumors to the contrary, we do not have external resources, we will be able to pay the further costs of the campaign only after we have collected 750 signatures for each of our nominees. Once those signatures are collected, each party's nominee will receive between 20,000 and 30,000 forints based on the election law.

"A brief description of our program may be provided only in terms of watchwords: What does FIDESZ want? We want free and honest elections, a parliamentary democracy, a responsible government, and an independent judiciary. Human rights! To learn from the West and cooperate with the East European nations. To return to Europe! A thrifty state, flourishing small enterprises, a societally controlled transfer to private hands. Free enterprise! Genuine autonomous governments in settlements, discontinuation of petty monarchs at the county level. A democratic educational system free of ideology; independent schools. An environment in which our children can live! Religions freed from the state, a state that is free from the church. Reduced term military duty, a civilian service of equal rank. Tomorrow: a small, professional army. The day after tomorrow: a world without armies. It should be worthwhile to work and live in Hungary. Opportunity for the young, security for the elderly! Tolerant and polite minority policies. Firm action in the interest of Hungarians left outside of our borders. An independent, neutral Hungary, free from Soviet—and other alien—soldiers. A unified Europe without armaments! Life without fear, freedom and solidarity! A chance for the future!

"Based on public opinion polls it would not be impossible for us to acquire more than 10 percent of the vote. On the other hand, some more moderate members of our organization would also regard a seven to eight percent

result as a success. Much depends on whom the still wavering voting citizens will cast their votes for."

Hungarian October Party: Jozsef Banlaki, Member of the Representative Body

"Our party has 17,000 forints in assets. This is obviously too small an amount to wage a 'fight.' Therefore it is likely that the representative body will decide that this year it will take advantage of the 2 million forints due from the central budget, provided in proportion to our membership size. Thus far we have not accepted a single forint, a single dollar, or a single ruble from anyone.

"The chief points of our election program are as follows: (1) We demand that Soviet occupation forces be withdrawn immediately from Hungarian territory, that Hungary leave the Warsaw Pact, and that it declare full military and political neutrality. (2) We are convinced that economic efficiency may be ensured only by granting equal opportunity to various proprietary forms and by permitting these forms to compete. Workers' autonomous direction should be one possible form: Factory workers should be able to form workers' councils with a prepurchase option to acquire their plants, while permitting these workers' councils to decide on selling their means of production to their workers under long-term installment payment conditions for the purchase price. Cooperative membership should be able to decide on the fate of its land and assets on the basis of similar principles. (3) The continued, artificial deterioration of living conditions should cease immediately. The country's population cannot pay the price for a criminal economic policy, and particularly not when power is not in the hands of a government and a Parliament elected by the people. Wages should increase in proportion to further price increases, if for no other reason because continued increase in social tensions may produce incalculable consequences. For this reason we demand the immediate removal from leadership positions of persons who participated in economic and political decision-making that resulted in the near intolerable standard of living, and we demand that these persons be held financially accountable.

"On a national scale we expect to receive between five and 10 percent of the vote. This is only if we are able to collect approximately 40,000 blue slips (signatures) which serve as a preliminary condition for running in the election as required by the election law—a law that was developed jointly by the communists and organizations claiming to be in the opposition, or in rough terms: a law developed in an antidemocratic manner and by fraud."

Christian Democratic People's Party: Miklos Hasznos, Elections Office Manager

"Our party's financial base equals zero. We are not ashamed; we are as poor as church mice. From where do we expect support? From the state budget, based on the law. Quite naturally, this amount becomes available to us only if we are able to announce the number of places where we were able to gather 750 signatures. The

requirement for 750 verifiable, sequentially numbered, and signed nominating slips is unique in European election law practice. Whether the addressee actually received these slips or if someone may have stolen them from the addressee's mailbox is not controllable. If we consider the possibility that in each individual voting district each of the 12 parties wants to run a candidate, which demands 12 times 750 signatures, we find that this number equals more than one-fourth of all voters, based on 60 percent voter participation. Are we really so proud of this right to a 'secret' vote? In addition, we are counting on possible voluntary donations. We are not asking, we are not begging, but we will accept support even if such support is provided in kind, and not in the form of money. Altogether we may be able to spend 3 million forints on the campaign. Unfortunately, this amount would not suffice to preserve the value of pensions, because if it did, we would offer it for that purpose.

"The ideal of a Christian state is the center of our program. This defines the relationship between the individual and those in power, the flexibility of, and opportunities available to the economy, as well as proprietary conditions, including land ownership. We will receive the votes of those who are not influenced by the loud noise, but who believe in the authenticity and clean past of our party. Private initiative should prevail in the economy, even if in a corporate form. The state should not manage the economy, because if this is the case, the state perpetrates the largest exploitation and produces the largest waste. The state is the worst possible master. The state's task is to ensure fair distribution. The establishment of 'justitia distributiva,' the establishment of social security in such a way as to enable people who accept more responsibility to acquire more. And more should be withdrawn from persons acquiring more, rather than demanding a growing ransom from society as a whole. Establishing individual land ownership, and an opportunity for voluntary cooperation, are important parts of our program. Free farmers independent from the state should elect their local autonomous governments, and they should manage their own affairs based on their decisionmaking authority. The degree to which democracy can be measured is not based on the number of parties in Parliament, but on the extent to which local governance is based on autonomous decisions, as compared to the enforcement of dictatorship directed from the top down.

"Our party would consider it a success if after the elections we have a government representing national unity, that reflects the real political profile and distribution of interests in our society, and further, if this government could be influenced through our representatives in Parliament to the effect that in departing from the reflexes of 40 years, the government can take a new approach to begin stabilizing and subsequently uplifting our country and the economy. We would regard the acquisition of less than four percent of the vote as a fiasco, and this would be unworthy of the weight and influence that has been acquired by European Christian democracy."

Democratic Alliance of Gypsies in Hungary: Istvan Mezei, Executive Secretary

"Our coffers are empty, therefore we will not spend a single penny on the election campaign. We will not run nominees, because Gypsies in Hungary are dispersed to such an extent that there would be no realistic chance for the election of an independent candidate. Notwithstanding this fact we will not be passive observers in the course of these elections. Quite a few parties have sought us out with the intent that we run candidates on their slates. Do not ask which parties did so, because that is a secret as of today."

Hungarian Liberal People's Party: Sandor Sz. Nagy, Manager

"The Liberal People's Party does not receive foreign money for election purposes, and does not accept such money. The election coffers contain only part of the state support to which the party is entitled, and contributions from the membership. It is expected that the sum of these funds will amount to as much as the amount a single 'rich' party would spend in a single district.

"In the elections, our party presents almost exclusively an economic program. Our watchword: Let us return to the democracy of Europe, where every nail has its owner, and every honorable deed has its worth. In other words: We want a society of owners in which independent entrepreneurship and initiative take over the role of central management that is incapable of acting, in contrast to being robbed of everything. A stable monetary system is indispensable to the achievement of this condition. Therefore the very first action to be taken is the unconditional and earliest possible harnessing of inflation. The applicability of the development of a general employee stockholder system that was begun in 1956 and was forced to be discontinued by terror remains unchanged. This system takes shape in the form of workers' councils. We profess that the basis for the rehabilitation of land and agriculture is an agricultural economy based on farmers, and this should have a genuine cooperative background, extending to between 60 and 65 percent of the country's arable land area. The number of independent small entrepreneurs must increase to at least between 500,000 and 600,000. We consider it our daily task to ensure housing and work conditions for youth. At the same time, poverty experienced by huge masses of pensioners is intolerable. And the mass of cadres which thrust the country, the nation, and the economy into a difficult situation, and which accumulated a mass of property for its own benefit, the value of which may be expressed only in billions, must be subjected to a capital levy. Accordingly, we do not want to deprive these cadres of their property, but instead we 'merely' want to demand the return of part of the unwarranted mass of property in the interest of achieving common goals.

"Based on a sober count we expect to receive 10 percent of the vote."

Expected Costs of Running a Candidate in an Election District With 60,000 Inhabitants (15,000 Residences)

Posters (four colors)	10,000	45 forints per poster = 450,000 forints + 25 percent general sales tax [AFA] = 562,500 forints
Fliers (black and white)	15,000	4 forints per flier = 60,000 forints + 25 percent AFA = 75,000 forints
Letter to voters	15,000	Postage: 6.50 forints + 3.50 forints cost of duplication + 10 forints per letter = 150,000 forints
Rental fees for premises	10 occasions, 3 hours each	18,000 forints
Posters, fliers, letters, rental fees (total)		805,500 forints
30-second announcement on Kossuth Radio "Morning Chronicle"		7,500 forints
30-second announcement on TV-1, prime time (between 2000 hours and 2100 hours)		60,000 forints
Radio and TV announcement once a day for one week		472,500 forints + 25 percent AFA = 590,625 forints
In 179 individual voting districts not including TV and radio (in forints)		144.1845 million forints

Writers Union Member Warns of Possible Market Economy Terror

90EC0245A Budapest MAGYARORSZAG in Hungarian 22 Dec 89 p 26

[Interview with Geza Paskandi, a board member of the Writers Union, by Katalin Bogay: "A Jungle or an Amusement Park?"; date and place not given; first two paragraphs are MAGYARORSZAG introduction]

[Text] "The Writers Union stands above the party or parties. The writers who want to be emphatically partisan will perhaps leave the union. There already have been and still are several groups within the union, calling themselves associations. And we can also expect to see that in many instances it will not be in the interest of certain writers to be in the same corporative group with certain other writers. A further division within the Writers Union might eventually occur on the basis of esthetics, values, and intellectual, political, or financial considerations. Although I, too, would like to see a unity based on some higher principle," says Geza Paskandi, board member of the Writers Union.

"I, too, have emphasized from the very beginning, and even in writing, that the Writers Union must be nonpartisan," he adds. "His party affiliation is a matter of every writer's own conscience, and he may still belong to the

Writers Union even if he is a member of some party. But it is preferable to leave party programs outside the union's door. If the union is to support causes that truly concern the entire nation, then it must be able to negotiate with every party as an equal partner and avoid any suspicion of partisanship."

[MAGYARORSZAG] On what was there agreement among the union's members at their recent membership meeting?

[Paskandi] There certainly was agreement on the union's need to be nonpartisan. Likewise on representing the interests of all writers, with more emphasis of the representation of interests and on management.

[MAGYARORSZAG] Why is it desirable for the Writers Union to be nonpartisan?

[Paskandi] Let me give you an example. More or less every party supports, and correctly so, the policy of the freest possible market. But I as a—let us say—"free writer," am of the opinion that the, at one time, ideological terror must not be replaced by a pragmatic economic dictatorship or terror. I am convinced that if the economy shifts too far toward economic pragmatism, then it could become an even greater Zhdanov than the Zhdanov in charge of ideology. Because the market can neither be fired nor buried. If we stop to think about it, a 1,000-percent market orientation could be a very formidable adversary. I daresay that serious and good art will truly be squeezed out completely, unless we succeed in harmonizing the principle of the freest possible market with the creation of a fine system of value judgments. In other words, we need a democracy under which the iron laws of the market are confined to their minimum, in the same way as the possible ideological explanations of commodity production and marketing are. For both the free market and the planned economy can be blind.

[MAGYARORSZAG] How do you imagine such a system of confinement in the case of literature?

[Paskandi] The governments will be coalitional ones; in other words, we will have interparty governments. Therefore, we will need reliable intellectual bodies—such as the Writers Union, the Academy of Sciences, and so on—which will tell the government and other state forums, in an authoritative voice, that in intellectual life the market need not be a jungle, but can also be made into an amusement park. Thus it will be necessary to ensure that public awareness of the nation's continuous historical values is maintained; without any narrowing, of course, in terms of style and subject matter.

[MAGYARORSZAG] Not only is there a flood of instant literature in the shops, but there has been and still is even a demand for it. As a writer, how are you able to influence this demand and such taste?

[Paskandi] Each writer's talents determine how well he is able to entertain his readers and at the same time make

them aware of values. It is true that in the shops the public is buying what it happens to be buying just now. But this is merely a temporary phenomenon. A shopping spree. Just like people who have long been hungry and are now enjoying the opportunity to eat not only bread, but also croissants, buns and pretzels, even though these are not well baked. Hence it is incorrect to say that so-called light literature is supporting serious literature. The correct proposition is that this is how light literature is paying its tuition fee to the serious literature on which it grew up and from which it learned its trade. It is the classics who are supporting us. It is the testament, perhaps an unwritten one, of the classical writers that there was literature before them as well as during their lifetime, and that there should be Hungarian literature even after them. Hence it follows that, together with textbooks, the published classical works no longer subject to royalties not only serve the nation but also help to support modern literature. This guarantees appropriate continuity.

Reportage, Commentary on Csurka Affair

Radio Program Moderator Resigns

90EC0264A Budapest NEPSZABADSAG in Hungarian
16 Jan 90 p 5

[Interview with Miklos Gyorffy, Hungarian Radio VASARNAPI UJSAG former moderator, by "G. Zs.": "I Never Agreed With the False Tenets Contained in the Csurka Note"—Gyorffy Resigned as VASARNAPI UJSAG Moderator"; date and place not given]

[Excerpt] [Passage omitted] [NEPSZABADSAG] Listeners took note of the fact that the moderator introduced [Csurka's] commentary neither in a positive nor in a negative way. Why?

[Gyorffy] I wanted to distance myself from the text in this way, in a clumsy, cowardly manner, without courage.

[NEPSZABADSAG] Why did you not leave the moderator's chair as long as the situation was that way on Sunday morning?

[Gyorffy] The fact that I did not get up from that chair was a great mistake, and I am very ashamed of it. It has happened more than once in my 20 years with the Radio that someone has gotten involved in the broadcasting of texts with which he does not agree, nevertheless he knows that he must stay aboard ship, in a certain sense. It was this reflex that held me back: The red light was on, and it was my responsibility to begin the two-and-a-half-hour program to which only I had the text. I felt that I should not endanger a program, half of which was live. Today, after the first shock and paralysis, I say this: I should have gotten up from that chair, nevertheless. Anyone who condemns me for not doing so is correct.

[NEPSZABADSAG] It appears from your letter [of resignation] that you familiarized yourself with the text of Csurka's comments only 10 minutes prior to the broadcast.

[Gyorffy] That's how it was, and even then I did not thoroughly understand the text because I was listening to it amid screaming and arguments.

[NEPSZABADSAG] Who argued with whom?

[Gyorffy] I was arguing with Bela Gyory, VASARNAPI UJSAG managing editor, while confused associates uncertain of themselves quietly told me that perhaps I was correct. I left the studio after each announcement and continued to argue. One of the editors suggested that Bela Gyory leave out one of the coarsest paragraphs. In response the managing editor had this to say: How dare you censor a Hungarian writer. I really understood the text only upon reading it after the broadcast. [passage omitted]

MDF Takes No Position

90EC0264B Budapest NEPSZABADSAG in Hungarian
16 Jan 90 p 5

[Text] The Hungarian Democratic Forum [MDF] presidium held a long, closed meeting yesterday afternoon. Only the presidium members took part in the meeting. We tried to take advantage of this opportunity to request an interview from MDF Chairman Dr. Jozsef Antall, but as we learned, the presidium had decided not to comment beyond the following announcement.

Announcement

The MDF presidium announces that it has learned of Istvan Csurka's intention to make his own statement with regard to the commentary presented in the radio program VASARNAPI UJSAG, and with related press reactions. This decision was reached in due regard to the fact that the commentary is part of Csurka's professional work as a writer.

Writer Answers Charges

90EC0264C Budapest MAGYAR NEMZET in Hungarian
20 Jan 90 p 3

[Article: "Istvan Csurka Responds"; first paragraph is MAGYAR NEMZET introduction]

[Text] Istvan Csurka forwarded a letter to our editorial offices yesterday. In it he asked us to publish at the earliest possible date his statement responding to public and press reactions to his radio commentary of last week. These reactions range between extremes.

We complied with his request, of course.

Statement

"Ever since my radio commentary in the 14 January program VASARNAPI UJSAG two kinds of sentiments

have flowed toward me: support and hatred. Support manifests itself in telephone calls, handshakes, exchanges of glances, fragmentary sentences whispered or said while turning away, and letters, of course. Hatred and condemnation, actions by which individuals distance themselves from my person and from my point of view, emanate from the press.

"Although in various ways, those who condemn me claim that I am an anti-Semite. Others, who agree with me frequently bring along the support of entire communities, thank me for stating a thus far untold truth, but at the same time feel a need to add to their statement that they are not anti-Semites, either.

"This odd situation is extremely dangerous in the present condition of Hungarian society. I would not feel a need to speak up if I received only condemnations. On the other hand, I feel a strict sense of commitment toward those who like me, and whom I like. For this reason I will state that I am not an anti-Semite. It comes naturally, then, that those who support me and agree with my statement are not anti-Semites, either.

"Further, I will state that both in my writings and in my public appearances I have consistently stood on the side of the helpless and the oppressed. I have never offended any person or any group of people on the basis of race, religion, color, or nationality. I regard the fate of Jews prior to and during World War II as the shame and disgrace of 20th Century Europe. I considered the task of honoring the memory of victims to be my obligation as a human being and a writer, and consequently my moral obligation. And I paid my respects. My most successful work: 'The Janitor's Lament' attests to this fact. It has been seen by hundreds of thousands of people in Hungary, Transylvania, and Poland, and it is still part of the Nepszinhaz repertoire. Accordingly, there is no need to excuse myself.

"In this case, however, something else is at issue: power. And with that, fear, of course. I am not scared, but I know that no fear on my part is too little. I must see a situation in which those who dare only whisper today, or not even that, are not afraid. And I must achieve a situation in which power does not remain in the hands of those who hold power today.

"Together with the poet I may say of myself: 'I have never served a power that crippled people!'"

"Budapest, 19 January 1990
"Istvan Csurka"

Statement by Journalists

90EC0264D Budapest MAGYAR NEMZET in
Hungarian 20 Jan 90 p 3

[Text] Fifty journalists from the Hungarian Radio editorial offices for political broadcasts forwarded a statement to MTI firmly rejecting the tone and spirit of Istvan Csurka's 14 January broadcast in the program VASARNAPI UJSAG. "Extreme views must not be

broadcast by Hungarian Radio; the national mass communication media must not convey unconstitutional ideas suitable to serve as foundations for hatred, and for religious and racial incitement.... Quite naturally, Istvan Csurka may think and write what he wants to. That is his responsibility. It is the responsibility of the employees of Hungarian Radio to draw the dividing line between freedom of personal expression and slander and insult."

Writer Denies Racist Charges

90EC0264E Budapest NEPSZABADSAG in Hungarian
22 Jan 90 p 8

[Interview with Istvan Csurka, writer and MDF presidium member, in Mohacs, 29 Jan 90, by Tamas Ungar: "What Should We Be Afraid Of?"; first two paragraphs are NEPSZABADSAG introduction]

[Text] We publish the following interview with due regard to the principle of objective reporting. It was conducted by our Baranya County reporter.

The Mohacs city organization of the MDF [Hungarian Democratic Forum] held a rally in the building that previously served as headquarters for the Hungarian Socialist Workers Party [MSZMP]. MDF Presidium Member Istvan Csurka discussed timely political issues. In many respects, Csurka's address was reminiscent of his VASARNAPI UJSAG radio commentary of a week earlier, which continues to be the subject of controversy. Following the rally I asked Csurka how he viewed the reception of his commentary.

[Csurka] The press reaction was overinflated, in my view. The way my words were misunderstood is a sign of the confusion that exists in society. My comments did not deal with matters I am accused of having dealt with. The anti-Semitism issue was perhaps the most unexpected charge.

[NEPSZABADSAG] What rendered your comments a subject of misunderstanding?

[Csurka] There was an expression in it: "Awaken Hungarians!" Obviously my critics associated this statement with the movement of the awakening Hungarians. Those born after 1945—and they are in the majority in today's society—should have been reminded of their military experience. "Wake up, get up!" they say each morning in the military. I do not know why I could not call upon Hungarians to wake up, to change their conduct. It is quite natural that my opinion concerning persons of Jewish origin is quite different from that held by certain bellwethers of the Alliance of Free Democrats [SZDSZ], but this fact does not at all prove that I am an anti-Semite. On the other hand, one's judgment concerning Bela Kun is a historical issue. One thing is certain: I never uttered a single word that would have been flattering to Bela Kun, but this is not because he was Jewish, but because of what he did. I also have a gravely negative view of the 1919 commune, while others, perhaps, do not. Many are also disturbed by the fact that I frequently

use the adjective "Hungarian." But what is wrong with my doing this? Is the use of this word prohibited? Persons disturbed by the use of this word may want to deprive me of using this term because they regard it as effective.

[NEPSZABADSAG] I feel that whoever touches upon matters of a person's origins must be very careful to ensure that it would not be possible, even by accident, to misunderstand those words. In your presentation today you talked about the danger the Asian countries present to Europe's economy. Whether everyone understood this clearly is not certain; on occasion one was reminded of the "yellow threat" that was discussed some time ago....

[Csurka] It is a historical fact that more than 1 billion people live in China. At the same time you have Japan there, an empire with a huge, growing economy. They are already in Hungary. They are entering into agreements with us. I traveled in California, in one of the richest areas of the world. People there whimper when they think of the fact that Japanese and South Korean capital is there; they purchase the most expensive lots and build factories.

[NEPSZABADSAG] Is it really that important that the capital they bring in is not colored white?

[Csurka] You should ask this question from the Californians! That capital is in Japanese and South Korean hands. The difference between European and South Korean people will always be there. This cannot be disregarded. I am only calling attention to the fact that they are coming and that they are taking over power. It is not my intention to present this as a negative phenomenon, as something that should be avoided. I am not opposed to it, I am merely stating this fact.

[NEPSZABADSAG] Also on this occasion you dealt with the threat of anarchy. You designated the present activities of the government as the starting point for anarchy. Previously there were hardly any parties which would not have urged the government to take some tough steps. Now it happened...

[Csurka] This is not the tough step we asked for. The government should have stopped illegal privatization. It should have made public the sale of enterprises, the regrouping of capital, and the salvaging of power to the economic sphere. We must be concerned about the fact that we will have a new parliament, we will have democracy, and meanwhile proletarian power that changed into capitol stock will be laughing: The state may issue commands only to state enterprises, and we will do with our capital whatever we wish; we will pay whatever salaries we want to pay. At the same time, there will not be enough money to pay the people; there will be strikes, and by the time the democratic government establishes itself everyone will be on strike as a matter of routine. And then Karoly Grosz and his associates may laugh and say that these strikes are against you fellows; surely they did not strike against us! The present anarchy leads in this direction.

[NEPSZABADSAG] Do you think it is conceivable that foreigners could tolerate management by the failed and untalented power elite in enterprises bought in whole or in part with their capital?

[Csurka] I only discuss matters I am aware of. About MAGYAR HIRLAP, for example. This newspaper functioned well in the framework of Pallas Newspaper Publishers. Then it turned out that Pallas ran a deficit. Therefore they divested themselves of a few small newspapers and invented a need for MAGYAR HIRLAP to be transformed. As a first step they took off from the masthead the indication that MAGYAR HIRLAP was the government's newspaper. Then it was purchased by a gentleman named Maxwell. This is beautiful, the editorial office is pleased with it, but by the time the new government is established it will not have a newspaper, even though they are making promises now that the newspaper will remain close to the government. I don't know. I don't know editor in chief Jenő Nemeth. (That person's name is Peter Nemeth. He was elected, not appointed, and he is not the editor in chief; he is the candidate for the post of editor in chief—ed.) I have no problems with him, but I know that until most recently he was a party secretary. So this is the process I am talking about. And the same thing goes on in every enterprise: First they destroy these enterprises, then they spread the word that they are worthless, then they call in their friends and in-laws. They say here it is, it's worthless, you may take it for a paltry sum. This is what's going on here, and this is a thousand times more important than the Interior Ministry and the rest of the scandals.

[NEPSZABADSAG] You spoke harshly before about persons who held membership in the MSZMP, and who now, so they say, are more democratic than anyone else. Can a person change? What is your view?

[Csurka] A person has a right to do so. But he should stand up and state that he has changed. I have not heard a single word of repentance from the old timers. This is unacceptable. The old power elite has not surrendered any of its privileges. And the former leaders should not make changes as far as I am concerned! They were always relieved of their duty—cleared out when regimes changed. I am not suggesting, of course, that we pick five pensioners, five toothless lions, and hold them to account while we leave the rest, the ones who function today, intact. This is a pitiful contortion.

[NEPSZABADSAG] Could the line be drawn between those who are and those who are not culpable?

[Csurka] That line can be drawn. The communities in which these leaders worked must be asked that question. People who worked around them will know everywhere, just as they knew in 1956, when the revolutionary councils were formed. One only has to allow people to say these things.

[NEPSZABADSAG] Will this not turn into a "witch hunt"?

[Csurka] There obviously will be injustices. But this is no cause for us not to start.

Editorial Comment

90EC0264F Budapest NEPSZABADSAG in Hungarian
22 Jan 90 p 8

[Article by Gabor Miklos: "Finale?"]

[Text] Now perhaps the week long small Hungarian political scandal has come to an end. On Friday Csurka issued a statement, and he also read it on the radio. In that statement he said that the charges leveled against him are groundless. He said that he uses the term "national, of the populist backbone" as a metaphor, and that he has no intention of inciting dangerous passions, even by concealing such incitement between words. "I am not an anti-Semite," he said, and added that persons who feel the way he does, and agree with his writing, told him that "they are not anti-Semites, either."

After all this, one could ponder why so many people of various persuasions interpreted Csurka's message the way they did. But the series of questions remain unanswered. How could anyone think that the writer-politician's message is not motivated by sheer politics? Why are so many—virtually all professional politicians—afraid to identify themselves and argue with the holder of these views, identifying him by name? I understand why the MDF [Hungarian Democratic Forum] would not want to surrender Csurka, a founding member of that solidarity, and his lofty ideas. But then, why wouldn't the MDF state that they consider Csurka's opinion to be appropriate? Or why wouldn't the rest of the opposition parties say so? Is this the way they want to "channel" democracy? Why did the MSZMP [Hungarian Socialist Workers Party] not speak up, and why is the socialist party's announced position concerning the previous Sunday's "radio commentary" so vague?

The way I see it, in this case it was the journalists who dared to take a risk and enter into an argument. On the other hand, their association did not make a statement, nor did the writers association. The position taken by Hungarian Radio is also peculiar. Its presidium does not have its own view in this case; all they did was to agree with the comments regarding editing made by 50 employees engaged in political broadcasts.

So, these are the lessons I learned. And it may be true what another opposition writer said about Csurka's time-machine character, that is, that the MDF and Csurka will make a landing together in 1938.

It would be good to know whether such declarations will be repeated in the upcoming two election campaign months. Signs indicate that this is also part of today's Hungarian public mind, and the only question is in what form, through what communication media, such sentiments are voiced. What I am concerned about exists:

The mixture of the tavern ideology and the just bitterness that is caused by social concern becomes the combustible material these days. For many, this mixture is elevated to the level of a program platform by demands for reckoning, holding to account, declaring certain groups to be midget minorities, and excluding certain groups from the nation.

How long can politicians like these be regarded as potential partners in a coalition?

Apparently, the storm surrounding the radio commentary will settle for now. But have we heard the finale?

YUGOSLAVIA

Serbia's Blockade of Slovenia Termed Unconstitutional

90EB0173A Zagreb DANAS in Serbo-Croatian
12 Dec 89 p 9

[Article based on interview with Vojislav Mamula, president of the Economic Court of Croatia, by Miro Crnjakovic: "An Unconstitutional Act"; date and place of interview not given]

[Text] No part of the country has the right to destroy the unity of the Yugoslav market. I say this as a lawyer, not as a politician. The severing of economic relations between two republics falls in the area of the Law on Contractual Relations, and thereby also violates the amendments recently made to the SFRY Constitution. They not only affirmed, but also elaborated the commitment to the unity of the Yugoslav market. As far as legal science goes, it is clear that calling for a severing of economic relations is contrary to that law and the constitutional provisions, Vojislav Mamula, president of the Economic Court of Croatia, explained recent events to us without hesitation.

He referred us to several amendments that along with the others were also adopted by the Serbian Assembly in sessions of all its chambers on 18 November 1988. Although there is rhetoric in most of the documents that mention the common market, Amendment 30, Subparagraph 2, to the SFRY Constitution is brief and clear: "Statutes, other acts, and actions are unconstitutional if they place organizations of associated labor or working people in an unequal position because of the place where they are located or where they reside."

Since extenuating circumstances are not mentioned in the Constitution, nor moral nor political reasons which might drive someone to such "action," the legal consequence of the events following the call of the Serbian SAWP [Socialist Alliance of Working People] for the severing of economic relations with Slovenia is clear. Amendment 39 states that the Federation, through federal bodies and agencies, "regulates the bases of the legal status and business operation of organizations of associated labor and other entities doing business on the market in the unified economic area of Yugoslavia." But

if the competent authorities do not enforce the federal law, other statute, or general act, or do not see to its enforcement, federal administrative agencies will call this to the attention of the appropriate republic or provincial administrative agency, and Amendment 38, Subparagraph 2, affords the right to demand that appropriate steps be taken within a certain period of time to guarantee its enforcement.

If that warning is not heeded, the Constitution gives the Federal Executive Council [FEC] the right to see that the law is enforced and to so inform the SFRY Assembly. After that, the competent agencies may also be called to account. If even this second "serious warning" is not heeded, the FEC may itself see that its intentions are implemented if it concludes that nonenforcement of the law, statute, or general act could cause major harmful material consequences.

If the FEC does nothing, the Federal Court can react to the severing of business relations between Serbia and Slovenia. Amendment 45 gives it the right to decide in the first instance or on an exceptional legal remedy concerning disputes which arise out of unconstitutional and unlawful individual acts and actions whereby organizations of associated labor or working people are placed in an unequal position on the unified Yugoslav market because of the location of their headquarters or their place of residence or which in some other manner destroy the unity of the Yugoslav market, including law suits for compensation of damages caused thereby.

By contrast with other enactments, the constitutional provisions are so clear that they usually are not even commented on. Sections of some laws may be vacated. But the postulates set down in the Constitution are "untouchable" until they are changed. Recently, we have changed them so much that it is no wonder we have stormy debates about things which cannot be haggled over. The head of the Kosovo Electric Power Enterprise, expressing the mood of his coworkers, declared that he would shut off the flow of power from that province to Slovenia. This is technologically impossible, and it is also contrary to the recently adopted 11th amendment to the SFRY Constitution. It states that personnel in the electric power industry and the rest of the infrastructure have a duty to guarantee the functionality and technological unity of the process of operation over the entire territory of the SFRY. In the current political vocabulary, it might be said that the personnel of the Kosovo Electric Power Enterprise are counterrevolutionaries, since they do not respect amendments to the SFRY Constitution adopted in their provincial assembly on 22 November of last year.

We have become accustomed to the Constitution being interpreted by everyone in the way that it suits him, and we have also scanned the Law on Contractual Relations. Vojislav Mamula warns us that many actions of our republic bodies and agencies have been interpreted even under that law as a closing off of the market and indeed even as disloyal competition. Even in the basic principles it explains that the purpose and content of the law

are "...the creation of conditions for free trade in goods and rendering of services on the unified Yugoslav market." A bit further on, in Article 9, it says that OUR's [Organizations of Associated Labor] and other participants in trade must respect those principles so as not to cause harm to others.

In America, even a president can be removed for violating constitutional amendments, while in our country the president of a republic's Socialist Alliance calls for trampling on the basic legal principle by which the country's legal system functions. But enough scanning of the Constitution! Let us turn our attention to the more practical Law on Contractual Relations. One section of it that has been functioning well even during this recent time of disunity speaks about dissolution of contracts. What will happen, then, if a collective from Serbia unilaterally dissolves a contract with a Slovenian firm?

"The place where this will be tried depends on the agreement stated in the contract. But if the contract does not mention which court has jurisdiction, it will be the court according to the location of the debtor or creditor. The dissatisfied party may appeal the verdict to the republic's Supreme Court. In Slovenia, there are no economic courts, so that cases are tried before the regular courts. When the appeals court decides in favor of the creditor, the Social Accounting Service automatically 'removes' the debt from the debtor's account," Vojislav Mamula explained.

The dissatisfied party may file a petition with the Federal Court for protection of legality, but this does not postpone collection from his account. It will be interesting to see whether judicial ties between Serbia and Slovenia are also broken off after business relations. Up to now there have been no problems in collection of debts between republics and provinces. In the hundreds of contracts that have been dissolved in recent days there certainly will be violations punishable under the Law on Contractual Relations. The first court decisions will set a precedent. If the courts are inclined toward the policy of their own republics and provinces, Yugoslavia will no longer function even as a confederation, but rather as an alliance of states.

Vojvodina Leader Stresses Allegiance to Serbia

*90EB0174A Belgrade NIN in Serbo-Croatian
17 Dec 89 pp 24-25*

[Interview with Jugoslav Kostic, president of the Vojvodina presidency, by Stefan Grubac: "Let the Others Also Have Several Votes!"; date and place not given]

[Text] Jugoslav Kostic, President of the Presidency of the Vojvodina SAP [Socialist Autonomous Province], belongs, not only by virtue of his office, to the first wave of the new politics in the northern province. The clear position of today's province emanated the whole time from our conversation with President Kostic: it is in Serbia, it is Serbia, and all its options are never merely provincial, but rather, always and seriously, republic

ones. From that standpoint, it is now necessary to build what we all need equally—to build the SFRY.

Since on our political scene there is now, on one hand, a struggle for an "asymmetric federation" (Ljubljana, assisted by Zagreb), and on the other, a struggle for a federal Yugoslavia, our first question to President Kostic was: How do you see the way out of this situation, in which our country, Yugoslavia, is not functioning?

[Kostic] Formally, we have federal bodies and declare ourselves to be a law-governed state. At one time we enjoyed a reputation in the world as a serious state. Need we repeat once more that by the 1974 Constitution and the 1976 Law on Associated Labor, eight states were created out of the unified Yugoslav state? There were those who warned about this; we know how they fared. Need we repeat once more that the greatest damage was done to Serbia, because it was divided into three parts?

The new Serbian leadership decided to make Serbia equal to the other republics, and persisted in this, with the help of all citizens of Serbia, from Horgos to Dragas. Multinational Vojvodina was in the forefront, and showed that we wanted to live in our own Serbia, not in that artificial and unnatural one. That is an issue that should be separated from another issue that we have today on the Yugoslav level: exaggerated isolation within republic boundaries, now even with respect to Yugoslavia as a common state.

We see today that the autonomy of the republics has been maximally abused. The Slovene amendments are the culmination of that destructive situation. The working people and citizens of Serbia and Montenegro—not only in Serbia and Montenegro, but also in other regions—have pointed out in their own way the full absurdity of those Slovene amendments.

Our task now is to work more quickly on a new constitution for Yugoslavia, a constitution in which we will advocate (when I say "we," I mean all those who will work on that constitution, because that is the only thing that seems reasonable to me) that the federal authorities have their jurisdiction throughout the entire territory of the SFRY.

You see what we have to talk about!

We have to emphasize what is understood, what is logical!

And what sort of federal authorities are they that do not have jurisdiction throughout the entire territory of a federal state?

National defense, foreign and internal affairs, the unified market, tax policy, and credit and monetary systems regulated at the federal level do not mean that the republics will be left without their own rights. People abroad are even pointing that out to us!

[NIN] In this kind of situation, can such a constitution be adopted?

[Kostic] It can, but all citizens of Yugoslavia must be asked about that. A million and seven hundred thousand people died for this—united, and not divided—Yugoslavia. We must not take a long time in creating the new constitution, because, simply, it must be the most effective way to help Yugoslavia, and the sooner we arrive at the right solutions, the sooner and the better we will arrange our joint house. That constitution must be present everywhere: it has to be suited to the people and the citizens of Yugoslavia. It must express a modern, democratic federation, a law-governed state for the 21st century. The citizens of Yugoslavia must not have fewer rights than the citizens of a developed, modern, law-governed state.

[NIN] What about the famous consensus?

[Kostic] Consensus? To put it simply, consensus has meaning to the extent that it prevents two peoples from agreeing to "destroy the third." That consensus should not exist in the movement of goods and in the functioning of the state. If someone checked, then we would see that the largest number, an enormous majority of the citizens of Yugoslavia, want to live precisely in this country, in a law-abiding, democratic atmosphere that applies to everyone equally.

[NIN] You recently stated a proposal in public: inserting into the federal constitution the possibility of forming a province in other republics as well! Your proposal was received relatively calmly. Does that mean that today it is politically "normal"?

[Kostic] Yes, that was on 14 November... The comrades from Slovenia and Croatia advocated that Vojvodina be represented in the federation through Serbia, and not directly. It was a democratic dialogue. You know what bothers them now? Serbia's "three votes." Then I said, "If the problem is those three votes of Serbia's, let us introduce conditions into the new constitution so that provinces can be formed in other republics as well, and let those republics also have several votes." I said that more in a humane way than politically. Tomislav Marcinko reacted to that in DELO, and immediately linked me with the Memorandum and all sorts of other things.

[NIN] Marcinko is alert to everything?

[Kostic] Apparently.

[NIN] Did you put forward that proposal through the procedure as well?

[Kostic] We did. That is our approach to constructing the new constitution. We are not insisting on it, but we are saying that it is possible. Let someone criticize us then for Serbia's having three votes. That was also present in individual theses, in individual reports from working groups. We have offered them, so let's talk.

[NIN] How will that go now?

[Kostic] I do not know how we will reach full agreement. We offered that possibility, and we will see what the citizens and working people will say.

[NIN] When we say AVNOJ [Antifascist Council for the National Liberation of Yugoslavia] Yugoslavia... Neither Vojvodina nor Kosovo is mentioned in the AVNOJ decisions; Sandzak is mentioned.

[Kostic] That is true.

[NIN] That fear of three votes was shown a long time ago, before the adoption of the Serbian Constitution, in March 1989. According to the statements of former president of the Vojvodina Assembly Zivan Marelj, Stipe Suvar "called his attention" to it?

[Kostic] Yes.

[NIN] A great anger against today's Vojvodina has been observed: the former lost alliance with the northwest is obviously missing in today's political struggles.

[Kostic] It is well known that the former Vojvodina leadership consulted more with other republics than with its own. Today we have our own republic and we consult with the leadership of our republic. Everyone can be certain, however, that we will not do anything against Yugoslavia. On the contrary, we will not raise a single legal document, for instance, a constitution, above the interests of Yugoslavia. The fact that Serbia now has its own identity, its "self," can only strengthen Yugoslavia.

The Serbian people is a good-natured people: it has never enslaved anyone, but only liberated them. A Serb knows how to quarrel, but does not know how to hate. We do not claim that everything of ours from Serbia is the most intelligent, but let's talk, and not come to blows at once just because it has come from Serbia.

None of the Serbian news media has written so disgracefully about the other leaderships as has been written about Slobodan Milosevic; and they tell us about culture and civilization. They do not have to like Slobodan Milosevic, but they have to respect him, because he is the statesman of a state, Serbia. The way they are attacking is uncultured and primitive.

[NIN] Isn't it precisely now that one can see how important a strategic point Vojvodina was to Kosovo, when it was necessary to the Kosovo leadership; to Slovenia, when it was necessary to the Slovene leadership; and to Croatia, when it was necessary to its leadership?

[Kostic] When we received the critical analysis of that first Extraordinary Congress in January for the first time, ordinary people raised the question: why was there so much similarity in the positions of the leadership of Vojvodina and the leadership of Kosovo?

They jointly supported the Albanian chauvinism that directly struck against the borders of Yugoslavia.

The Kosovo question would have been settled a long time ago if we had had a united policy concerning it in Serbia and in Yugoslavia. That is why it is important to fight at the federal level for united positions, and then to act wherever necessary. It is illogical for someone at the federal level to fight for local interests, and not federal ones.

The SFRY Presidency must answer to the Federal Assembly, and not to its own "local" assembly. That simply must be built into the new constitution...

[NIN] You also have several other innovations... The elimination of the presidencies of the republics and provinces?

[Kostic] I support the elimination of presidencies in the republics and provinces. Let there be a presidency at the federal level; but it has to be a joint presidency of all citizens of Yugoslavia. We have signed many conventions and we have to have all rights like all citizens of the developed democratic world; accordingly, we must also behave that way. In any case, many citizens are demanding the elimination of presidencies; I did not invent it.

[NIN] How can Kosovo be helped? Would giving money be wrong?

[Kostic] We are really helping from here, from Vojvodina. There are cases in which we are participating in some capital investment project from start to finish. After all, we are now one territory. Real aid to Kosovo is from the idea to initial operation. Real aid to Kosovo is when they all realize that they are all ready for integration. Aid to Kosovo is when the labor force moves from Kosovo to Vojvodina, Sumadija, and Slavonija, and vice versa. They should go to Kosovo! Giving only money is (and would be) wrong.

[NIN] I hope that you have also heard of the dissatisfaction of many people in the province when they see that many people from the old power structure have now been successfully coopted into the new authorities as well. Are those personnel capable of engaging in obstruction? Are they capable of harming the integration processes in Serbia? Do they regret their former domains?

[Kostic] As far as ideological and political differentiation is concerned, it is being conducted, from the local community to "up above." There are no more pardons. We have acted in an extremely humane manner toward "them." We are taking care that everyone does his own work in his own profession. You can be sure that there will be no return to the old politics. If it were not for the people and the citizens, we would not have a united Serbia today.

[NIN] There is an interesting question that is being constantly discussed—the Novi Sad news media! We know how much they were a bastion of autonomist politics.... Now we have a situation in which DNEVNIK, after more than a year, does not have a chief and

managing editor (the present acting one signed that issue, on Sunday, in which Marcinko "flamed and burned"). The crew that seized "power" at Novi Sad Television has been forced to flirt with the old factions (that is how it came to power); they did not stand out in the program, in settling accounts with autonomism, and did a disgraceful job of advertising the Serbian bond. At the same time, they are efficiently eliminating their enemies: they turned the editor of DNEVNIK, Jovan Nikolic, into a "courier" just because he deleted a sentence by a Zagreb television journalist in which Stipe Suvar called Slobodan Milosevic a "newly created leader..."

[Kostic] I really did not know some of the things you cited. Differentiation has to be completely carried out in the news media. The Socialist Alliance, as the founder, will have to resolve that. We are obliged to clear up those matters. A new presidency of the Provincial Conference of the Socialist Alliance of Working People will be elected now, and we will have to bring those matters to light.

Serbian SAWP President on 'Serbian Arguments'

90EB0173B Belgrade NIN in Serbo-Croatian
24 Dec 89 pp 16-17

[Unattributed interview with Radmila Andjelkovic, president of the Socialist Alliance of Working People of Serbia: "Serbia's Arguments"; date and place not given]

[Text] [NIN] The extraordinary elections in SR [Socialist Republic] Serbia are over. How do you personally evaluate the results of the election?

[Andjelkovic] We have already evaluated the elections that have taken place in the republic. I will mention some of the most important features. The heaviest voter turnout that we have had in the last 15 years was recorded in this year's elections. In SR Serbia, 83 percent of the voters voted for the assemblies of sociopolitical communities, which amounts to more than 5.5 million citizens. In some opstinas throughout the republic, that percentage was even higher than 90, which was characteristic, for example, of the Zajecar region (with 93.04 percent). Most of the opstinas in SAP [Socialist Autonomous Province] Vojvodina recorded an equally high percentage: for example, Zitiste with 96.81 percent and Coka with 95.41 percent. The turnout in SAP Kosovo was 76.05 percent, and the results of the vote there, because of all the well-known circumstances, are a political factor which speaks for itself. We might mention, for example, Leposavic with 92.77 percent, Vucitrn with 86.37 percent, Titova Mitrovica with 79.9 percent, and Pristina with 72.23 percent.

It is my opinion that these results were achieved because there was more than one candidate on every ballot and because all citizens could really vote for the first time after several years.

And what I have said sufficiently confirms the groundlessness of the objections and criticism to the effect that the elections were rushed out of fear of the opposition, that they were undemocratic, a "deception of the people," "orchestrated." It would be interesting to hear from these critics how it was possible for 5.5 million people to be "orchestrated" in direct and secret elections.

[NIN] One of the essential features of the extraordinary elections in Serbia was the numerous referendums in cities. How much did that innovation color the elections? How would you interpret the "hunger" for referendums? How do you see their results?

[Andjelkovic] The widespread demands in opstinas to elect the top people in a referendum are in my opinion above all a response to the long years when the handling of personnel was indirect. The citizenry resolutely demanded that honest people be elected, people capable of the job for which they had been nominated. There are grounds for making this procedure a legal obligation in electing the top person in the opstina.

I am convinced that the experience of this democratic act will also be applied in resolving certain of the most essential issues important to all the citizens of Yugoslavia.

[NIN] These last elections were also an occasion for criticism of the election system in Yugoslavia and criticism of its Constitution and its entire electoral concept. And there have also been critical lines of argument concerning the elections in Serbia. How did you perceive them?

[Andjelkovic] Some of the criticisms of these last elections are justified. One of the most frequent is the existence of the nominating conferences. Given the present constitutional, and thereby also legal, restrictions, they were inevitable. Someone simply had to reduce the number from 100,000 candidates for delegate positions in all the assemblies, or, for example, the approximately 2,000 candidates just for the Sociopolitical Chamber of the Serbian Assembly, so that the elections could be carried out at all. These elections constituted a kind of criticism of the present election concept in Yugoslavia. It is up to us to think how we are to simplify the election process and democratize it further.

[NIN] One of the central political topics today is the so-called media warfare in Yugoslavia. Does it exist at all? If it does, who is waging it? Why is Serbia often the "main target of the media war"?

[Andjelkovic] I would not agree that the media warfare is one of the central political topics in Yugoslavia.

The information media often become a political instrument of opposed policies. When people do not care what means they use, everyone loses, journalism most of all as an honorable profession.

[NIN] The proclamation of the Serbian Socialist Alliance of Working People severing relations with SR Slovenia is Yugoslavia's principal political topic today. This is one of the most important political decisions in postwar Yugoslavia. How and why did that decision come about? How do you see the changes in the country that will occur as a consequence of that decision? Is it "amendable"? Under what conditions?

[Andjelkovic] The economic and political situation in Yugoslavia is such that there is no principal topic. Key issues are being raised daily.

The proclamation of the Socialist Alliance of Serbia severing relations with Slovenia is not the main political topic for us, nor do we think it is for Yugoslavia. It might be for those who think like sports fans; those who have preconceptions of whatever kind, basing everything on certain "premises" known only to them and on imagined dangers and events which will never happen.

Some people in Yugoslavia today see Serbia as the principal culprit for the worsening of the situation in the country. Thus, in one case Yugoslavia's destiny depends on the relations between Serbia and Slovenia, and again between Serbia and Croatia, and yet again between Serbia and Bosnia-Herzegovina, and so on. But always it is Serbia.

Our decision is serious insofar as the cause is serious. The culmination of this explicit political one-sidedness and exclusiveness is the armed reception of people of goodwill, the arrest of those who dared to think differently, the arrest of the Yugoslav flag, the police blockade of the Orthodox Church in Ljubljana, and the arrest of the priests.

This is not just the relation between Serbia and Slovenia. It is a question of Yugoslavia. The official Slovenian policy has appropriated as its exclusive right the expression of its identity, defense of its ethnic sentiments and sovereignty, as though no one else in Yugoslavia possessed it. To Slovenia, which is accustomed to dictating conditions and regulating relations in Yugoslavia, equality appears to be a situation in which others are taking something away from it. Slovenia must realize that as far as Serbia is concerned it has lost its privileged position which it gained through aggressively imposing only its own interests and by contesting the interests of others.

I emphasize once again that our decision was not a cause, but a consequence. That was our way of answering all those actions whereby the Slovenian leadership has been directly breaking up Yugoslavia. It is not a reprisal in the least. We in the leadership have a duty to announce the position that Kosovo will never again serve as a pledge for settlement of political accounts. We have in this way expressed our belief in the sincere intentions of the Serbs and Montenegrins who have been persecuted in Serbia and of all the other participants in that rally that was never held. In our proclamation, after the emergency

measures adopted the night before in Slovenia, we notified people who had all but departed, and many of them already had, that the police were waiting for them at the Slovenian border.

[NIN] What has the severing of relations demonstrated?

[Andjelkovic] It has shown even us in Yugoslavia that side of economic cooperation which up to now has not been so visible, and it gives every reason for us in Yugoslavia to have an essential discussion about equality. We have learned from this experience more about ourselves, about our own advantages. We are making a serious effort to utilize our own advantages. We have also become aware of our own shortcomings—negligence, poor business practices, and indeed even bribes—which for decades have been canceling out those advantages. That will not happen again.

Croatian Christian Democratic Party Expels Founders

90EB0230A Zagreb VJESNIK in Serbo-Croatian
28 Jan 89 p 5

[Article by Jadranko Sinkovic: "'Putsch' Against the Founders"]

[Text] When a party, like the Croatian Christian Democratic Party, at its very first regular meeting of the Small Council (what would be the executive committee in other parties) expels from its ranks two members who happen to be the vice presidents and the founders—then, to put it mildly, it is quite clear that politics always remains a morally debatable and controversial activity of people who are entangled in one kind of desire for power or another. Obviously, no sacred categories of programs, no high-sounding statements and inspired declarations, no kind of suprapersonal interests are any help here, because a politician is always just a man, flesh and blood. The question, perhaps, is whether people with undeveloped egotism can engage in politics at all....

Obviously, the Croatian Christian Democratic Party [HKDS] was not helped by the thousand years of the presence of Christianity in Croatia, nor by the resulting fundamental (Christian) principles of the party (faith, trust, and love). At the very beginning there was a sharp conflict of positions, morals, and conceits...until, by a resolute majority of votes, Dr. Hrvoje Susic and Dr. Ante Korljan were expelled from the party. "It is only now that we can approach serious political work," stated, among others, all the members of the Small Council. Those who did not vote for expulsion from the party would have voted for the expulsion of the two founders of the party from the Presidency or from all the administrative bodies. No other solution was even proposed for a vote. The HKDS is thus entering upon the Croatian political scene with a scandal, which is a fairly sensitive matter at a time when the party's leaders are doing everything they can to prepare for the spring elections. It was estimated, however, even before the meeting of the Small Council, that it was necessary to deal sharply with

the two vice presidents, who, as was stated during the several hours of discussion, were dangerous individuals who were jeopardizing the party's reputation by preparing their own political actions outside of and contrary to the positions of this political organization. That is why a scenario of "settling accounts" was prepared in advance for the Small Council, and was immediately put on the agenda, under the title of "the work of certain members of the presidency." The HKDS, therefore, at the very beginning of its legitimate operation (but not legal, because it is not registered, of course) did what Dr. Franjo Tudjman did effectively and skillfully before the founding of his Croatian Democratic Community. The point, in fact, is the same: the people who could be, to put it mildly, more harm than help in the party's work were eliminated or bypassed. It is interesting that Dr. Tudjman bypassed, among others, the same people who were expelled by the HKDS Small Council.

World View Does Not Help, Either

Dr. Hrvoje Susic, a Zagreb economist, is one of the members of the first action group for the founding of the Croatian Democratic Community [HDZ], the same group that was together in January 1989 at the celebration of the birthday of the Veselica brothers in Pljesivica, when it was agreed that the HDZ would be founded and that Tudjman would be designated as its main exponent, since Dr. Marko Veselica was prohibited from public political appearances. Dr. Ante Korljan, a Split doctor, was also present at the founding meeting of the HDZ at the discussion forum of the Croatian Writers' Society on 28 February 1989. After Tudjman founded the HDZ, both of them—Susic and Korljan—were part of the group for founding the Croatian Democratic Alliance [HDS] (today a party), but they also abandoned this alliance. On the eve of the founding of the HDZ, Susic gave Tudjman a draft of a sort of counterdeclaration. The same thing was repeated in the HKDS. In response to the basic draft of the HKDS Declaration, the first version of which was prepared by Dr. Dragan Lalic, the president of the HKDS, Susic submitted 51 ideas for modifications, and these days is reportedly involved with the idea of printing a sort of HKDS political program as a separate book.

When this journalist received his first information about the Croatian Christian Democrats in a conversation with Susic, the latter emphasized to him, as the key difference among the HKDS and the HDZ or HDS, that the Christian Democrats would share the same world view, which meant that no conflicts or clashes within the party would be possible. As we can see, however, things are proceeding differently. Why?

It seems that the problems began at the moment the inviolate authority of the party, its president, Dr. Dragan Lalic, became seriously ill, and is still in the hospital today. At that time, Dr. Ante Korljan, the party's vice president for Southern Croatia (that name for Dalmatia was sharply, but unsuccessfully, opposed by the other members of the party), and the appointed editor in chief

of the party's future newspaper, succeeded in collecting funds and, on Christmas Eve, was able to publish the first issue of HRVATSKE NOVINE, with the subtitle, "The Words of King Zvonimir."

Dr. Lalic and the other members of the party were shocked when they saw the newspaper (after that Lalic ended up in the hospital, appointing Prof. Ivan Cesar as his deputy): first of all, because it had been agreed, and even written in the party's Program Declaration, that the newspaper would be called ZVONIMIR, and Korljan adopted the name of the newspaper of the Bourgeois Croats that had existed since 1910. Next, as was stated in the Small Council, he "forged a lead article by the president of the HKDS." Furthermore, in the editorial office he appointed people who did not even know about it, invented titles for them, and then put in the writer Ivan Aralica, with the invented title of Professor and the name Ivo, even though he was not even a member of the party. He also published an interview with himself, which was laughed at among the public at large. (By the way, he also published an original article by this journalist, with an attempt at polemics, "Comments by Dr. Hrvoje Susic," which, among other things, explicitly "gave approval to HRVATSKE NOVINE to publish an interview" with him, even though this was by no means any kind of interview). In the rest of the newspaper, Korljan offered, as stated in the Small Council, a cheap clericalist policy which was in conflict with the positions of the party, which is "Christian, but not clericalist." At the constitutional assembly of the Small Council, two weeks ago, Korljan did not accept harsh criticism. A few days ago it was heard that he intended to prepare a similar newspaper again in the near future. Furthermore, when it was announced two weeks ago that at the wish of the president, Dr. Cesar would replace the ill Dr. Lalic, Korljan commented that it was surprising that the vice presidents were not replacing the president, and that he hoped that he would still deliver the opening speech at the next meeting. He did not attend the next meeting, however, at which he was expelled.

Not Distinguished Enough

Dr. Susic, however, made several statements in public with which the Small Council does not agree. He wrote a letter to De Cuellar ("unworthy of the party"), he advocated Croatian consulates throughout the world (with which the other members do not agree), he stated at the POLET round table, among other things, that the party's policy did not include the "Islamic option" ("which is not true"), and he is also blamed because as a result of his negligence ("deliberate"), the party did not participate in the Europe round table where all the Christian democratic parties of Europe gathered.

Susic was present at the meeting of the Small Council, but rejected the allegations of the accusation, in which the most persistent were lawyer Vlado Marovic, the party's chief secretary, and Dr. Ivan Cesar (both also founders of the party). But after he stated that a putsch

had been carried out in the party (obviously thinking of the replacement of the ill Dr. Lalic), and that the true founders wanted to have ten distinguished Croatian people in the party's leadership, and that he did not even recognize the people sitting there, a quarrel ensued, which Susic abandoned.

The members of the Small Council tell us that now they have had a respite. They say that they can finally deal with policy and not with petty politics. The damage from this scandal, however, will be very great for the Christian Democrats themselves during this initial phase of constituting the party.

Proposed Changes in Criminal Code Discussed

90EB0174B Belgrade NIN in Serbo-Croatian
17 Dec 89 pp 26-27

[Article by Dr. Zorica Popovic: "Changes in Criminal Legislation"]

[Text] For a long time now, professional circles have been voicing demands for the reform of Yugoslav criminal legislation. Likewise, public opinion has been persistently advocating changes in individual provisions of criminal law, in order to coordinate them with the constitutional guarantees of citizens' freedoms and rights. In such a climate, and in a situation when there is very widespread support in Yugoslavia for democracy, a law-governed state, and a reaffirmation of human rights, work has begun on changes to the SFRY Criminal Code.

The Federal Secretariat for Justice and Administration has drafted a proposal for the adoption of a Law on Changes and Additions to the SFRY Criminal Code, which at this time has been forwarded for consideration by the SFRY Assembly. The explanation conveys the intention of using the proposed changes and additions to bring criminal sanctions into accordance with the present requirements of the SFRY's social development and the changes that have occurred in the political and economic system, to define more precisely the essence of certain criminal acts, to eliminate ambiguities and legal gaps in the Code, and to ensure action in accordance with obligations under international conventions that have been signed by our country.

The scope of the changes has been fundamentally restricted by this: although even the proposer is aware that it is necessary to reexamine the entire criminal legislation—both the General Section of the SFRY Criminal Code (which contains the basic institutions of criminal law) and the laws of the republics—comprehensive reform has been postponed in order to leave more time for further study. I believe that the postponement of such a reform can also be explained by the lack of political willingness to assess all the consequences of the division of criminal legislation among the federal, republics, and provinces.

Although the undertaking has thus been carried out primarily in the Special Section of the SFRY Criminal

Code, the accelerated fall of the dinar under the conditions of hyperinflation has necessarily raised the problem of regulation of the monetary fine in the General Section of the Criminal Code. It would no longer be determined in fixed dinar amounts, but rather in terms of the average monthly personal income. It has been proposed that the monetary fine cannot be less than one tenth of the average monthly personal income in the country, nor higher than 50 average monthly personal incomes, and that for criminal acts committed out of greed, it should not be higher than 200 such personal incomes. The determination in principle that the monetary fine (as well as essential elements concerning certain criminal acts) should not be expressed in fixed dinar amounts will not only reaffirm the monetary fine as a criminal sanction (because it has become laughably small under the influence of inflation), but will also eliminate the need to have the Criminal Code changed frequently merely in order to eliminate the consequences of monetary devaluation.

Political Crime

While the above-mentioned change in the General Section is more "external," dictated by economic reasons, the changes in the Special Section of the SFRY Criminal Code show a change in positions on some key issues in criminal law. These include the introduction of a new concept of political crime, the restriction of criminal-law coercion through the reduction of the legal basis for the imposition of a death sentence, the actual elimination of the penalty of property confiscation, and the omission of the 20-year prison sentence, except for crimes for which the death penalty can also be imposed.

The proposed changes have mostly resolved the issue of coordinating the Special Section of the SFRY Criminal Code with obligations arising from the international conventions that our country has ratified, because new charges have been introduced, like the criminal acts of international terrorism, kidnapping, and also a group of acts associated with the unauthorized use of nuclear material. At the same time, the introduction of another two new criminal acts is being proposed: providing a minor (younger than 14) with pornographic materials, and unauthorized photography, only covered so far in the republic criminal codes, except the Croatian one.

Nevertheless, if one can welcome the intention of the proposer to expand the area of culpability to officials in federal bodies for the case of the unauthorized taking and publication of photographs violating the privacy of an individual, it is debatable how one can prevent the flow of pornographic material with minors younger than 14, in today's times of videocassettes and the rapid maturation of young people. The positive motive of the proposer is not sufficient for the proposal to be effective: it could easily happen that such a charge will remain a dead letter.

Particularly significant among these proposals for changing the SFRY Criminal Code is the change in the

concept of the political crime, some aspects of which to date have attracted the most attention from the public and from professional circles.

The starting point for amendment in this field is respect for the principle of legality in the area pertaining to specifying the legal description of the criminal act, respect for freedom of opinion, including the right to different political opinions, and also linking the degree of the sanction to the stage of the perpetration of the criminal act (preparation, attempt, and completion of the criminal act). Taking into account these principles has resulted in a reduction in culpability in the sphere of political crimes, because punishment is limited, as a rule, only to violent, anticonstitutional, and other prohibited threats to the constitutional order, as well as the country's security in its internal and external relations. Furthermore, what has so far been the key issue in this sphere—the issue of penalizing preparatory actions—has been settled in principle by having this area defined as precisely as possible and restricting punishment for preparations as much as possible.

Controversies: Counterrevolution...

In this regard, certain criminal acts against the foundations of the socialist social order and the security of the SFRY have been revised. In that chapter of the Criminal Code, the most controversy has been aroused by two criminal acts: a counterrevolutionary threat to the social order, under article 114, because of the vagueness of the description of the act of commission ("who commits an act aimed at"), and hostile propaganda, under article 133, paragraph 1, finally, because of the sanctions against freedom of opinion ("a malicious and false portrayal of the sociopolitical situation in the country").

According to the proposed changes, the act in article 114 is being renamed "an attack against the constitutional order," and its act of commission is reduced to "undertaking actions directly aimed at the violent, unconstitutional change of the state and social order of the SFRY," all assuming an intention on the part of the perpetrator of the crime. Although in the new draft the act of commission is limited to undertaking the attempt or the completed crime, preparatory actions are still indictable, but they are now associated with the actions cited in article 18, paragraph 3 of the General Section of the SFRY Criminal Code (the acquisition or preparation of means for the commission of a criminal act, the elimination of obstacles to the commission of a criminal act, consultation, planning, or organizing with others the commission of a criminal act, and also other actions that create the conditions for the direct commission of a criminal act). The area of culpability has thus been made more precise, but since article 18, paragraph 3 contains the wording "and other actions," it is still possible to punish any activity that is assessed as a preparation for a violent, anticonstitutional change in the social order. Thus, the important shortcoming in the design of the present article 114 has been alleviated, but not completely eliminated.

The proposed change to the SFRY Criminal Code also changes the concept of the criminal act of hostile propaganda. The act in the form of "malicious and false portrayal of the sociopolitical situation in the country" has been deleted from article 133, paragraph 1, and the act acquires a new name—"calling for or encouraging violent change of the constitutional order." In this way, punishment for the so-called crime of opinion has been avoided in the federal Criminal Code. In order to achieve full decriminalization in this area, however, it is also necessary to revise the provisions of the individual republic criminal codes (for example, the crime of spreading false news).

Demands of the Times

With the goal of establishing the principle of legitimacy, i.e., reducing criminal-law coercion to the necessary and justifiable extent, it has been stipulated in several places in the above-mentioned chapter XV of the SFRY Criminal Code that the present heavy penalties will be reduced (for example, in the case of the crime of violence resulting from hostile attitudes toward the SFRY), and the imposition of the death penalty has been limited to crimes that in their basic or qualified form encompass deliberate murder, and to crimes committed in wartime or during an immediate danger of war.

Of the proposed changes in other groups of criminal acts, special mention should be made of those pertaining to article 157 of the SFRY Criminal Code ("insulting the reputation of the SFRY"), which has also aroused disputes for a long time now. Now it specifies the range of subjects that can be subjected to abuse (the last part of the provision, which applies to the commander in chief, has been deleted), and new provisions have been added that pertain to ruling out the existence of this criminal act when it has the nature of insult or slander. Finally, the demands of the times have dictated changes in the criminal act of trading in gold coins, foreign currency, and foreign exchange, and in the criminal act of issuing uncovered checks. Specifically, it is now being proposed that there be sanctions only for engaging in trade in gold coins, foreign currency, and foreign exchange, and not for each individual act of this type that does not constitute engaging in trade. Likewise, it has been proposed that there be sanctions only for issuing or putting into circulation a check (known to be uncovered) for the purpose of acquiring for oneself or for another person large property benefits (an amount that is higher than 10 average monthly personal incomes in Yugoslavia, officially established for the month in which the criminal act was committed). The area of culpability for these two acts has thus been substantially reduced.

Finally, in assessing all the proposed changes to the SFRY Criminal Code, one can speak of significant progress, but not of comprehensive revision of everything that would require change. The problem is that on this occasion nothing has been done to resolve the burning issue of the Yugoslav criminal law system—the above-mentioned issue of the division of criminal legislation. That problem gives rise to an extremely important

consequence: The possibility appears that each individual will not be equal before the law, and this constitutes a violation of one of the fundamental principles of a law-governed state. On the other hand, some future and more comprehensive reform of criminal legislation should settle the fundamental question of the priority of individual values in order to eliminate the present paradoxes in prescribing penalties for individual crimes. For example, article 176 of the Serbian Criminal Code prescribes a monetary fine or up to 3 years in prison for the criminal act of alienating someone else's property, and article 70 of the same law prescribes a monetary fine or up to 1 year in prison for the criminal act of unauthorized eavesdropping and recording.

Finally, although the issue of the true affirmation of the freedoms and rights of the individual is not just an issue associated with changing legal norms, it is also necessary to reexamine the provisions of other laws and resultant regulations that have repercussions in this area. Such, for example, are the provisions of articles 56 and 57 of the Serbian Law on Internal Affairs, in connection with the detention of an individual for up to three days in order to determine his identity, or certain provisions of contained in the Rules on the Work of the State Security Service, in connection with the grounds for violating the principles of the inviolability of homes and the privacy of communication.

CZECHOSLOVAKIA

Number of Service Permits Increases, Illegal Activity Continues

90EC0277A Prague HOSPODARSKE NOVINY in Czech 22 Dec 89 p 6

[Article by Engineer Martin Fassmann, State Planning Commission: "Unvarnished Truth About Services"]

[Text] Since 1982, the number of permits issued to citizens by the national committees for individual work activity increased more than threefold, and thus went over the 50,000 mark. This number often engenders, as do some articles and programs in the mass media, optimistic visions of the importance of this sector. In reality the importance of these activities is still negligible, both from the viewpoint of meeting the needs of society and the income it brings for the national committees.

During the past year, the services provided by citizens can be estimated at Kcs 470 million at the most. In comparison with the total volume of paid services this represents less than 8 tenths of a percent, and less than 1 tenth of a percent of the total expenditures of the public. The tax on these incomes and activities is roughly 3.5 percent of the total volume of taxes and fees going into the budgets of the national committees.

If we ask why the volume of services thus provided is so low, we mostly get the stock answer that it reflects the reality that most of those holding the permits (more than 90 percent on the average) engage in these activities as a sideline, apart from their regular jobs, or they are retirees, etc., which in either case places limits on their time and output.

On a closer look, there appear several objective and subjective barriers which prevent the development of this way of providing services, both absolutely (by deterring potential customers), and relatively (in the scope and structure of the services provided).

Uncertainty and Unwillingness

In the first place, it is the lack of confidence of the potential customers that the current conditions will last—after all, they already experienced similar situations before. Secondly, this uncertainty is heightened by the reluctant and sometimes almost negative attitude of some national committees in issuing these permits. In that respect Paragraph 22 of the amended law on national committees seemingly plays into their hands. It seems to leave the issuing of permits up to their free decision, despite the existence of a directive according to which the permit to engage in individual work activity was to be contingent only on the fulfillment of generally established conditions on the part of the applicant, and not on the subjective determination of the national

committee employees as to whether the demand of citizens or organizations for this or that service has been met or not.

In contrast to that, the national committees—or more precisely, some of their employees—often consider this form of services and other activities to be something transitory and incompatible with socialism and the socialist way of life. It is at the same time paradoxical that sometimes this negative attitude toward individual work activity is even hidden under the cloak of a fight against corruption, protectionism, and unearned income. But at other times some more prosaic reasons also play a role in permitting or not permitting these activities: some national committees want to "protect" in this way their small workshops from competition.

Another problem are financial difficulties. In the first place, there is the question of the "basic capital," particularly obtaining the necessary means for engaging in activity (machinery, material, instruments, etc.), and also of other costs needed for the expected work. This is also closely related to the granting of loans by a savings institution for this activity.

Prices and Again Prices

There are also many contradictory views on prices and the setting of prices.

Mostly it is being pointed out that prices are too high. Mostly the argument goes that the providers of the services do not have such high costs (overhead) as do the socialist organizations and that they do not pay levies from the profit as organizations do. The profit, which results from saving on costs, is so significant in comparison with the enterprise sphere that prices need to be reduced.

The second opinion sees the solution of the price situation in transferring them into the area of free contract prices. In such case the prices will be regulated by the market and will be the result of free competition.

These then are the two views, which for the sake of simplicity are stated here in their clear, unqualified positions. Let us look at the first view first. Although it is true that these workers have lower costs, particularly the total overhead, this "profit" is cut first of all by taxes according to the tax bracket in which they find themselves. The tax burden on incomes of people working by permit issued by the national committee is close to the tax burden on wages and bonuses placed by the income tax. But in the higher brackets there is a sharp progression, as in the "classic" citizens' income tax. (For example, on every Kcs 1,000 over Kcs 40,000 the tax is Kcs 420 to 480, over Kcs 60,000 Kcs 560 to 940, and over Kcs 80,000 the tax is Kcs 700 to 800.)

But not even this income after taxation is a net profit. The holder of the permit must deduct from it depreciation of production assets and other costs related to the increase of his property, which he could not deduct from

his output before taxes. But as was said before, he had to draw these assets from the family budget which cut into his consumption, or he had to borrow them and is forced to make payments including interest.

Further, it is necessary to deduct the labor costs of the person who performs individual activity—overwhelmingly craftsmen—which are objectively higher than what the cost calculation of socialist organizations assumes. A craftsman's work is more demanding of time and all-around professionalism of the craftsmen in contrast to industry, where it is relatively easier to achieve savings of direct labor, for example, by a more extensive outfitting of the machinery park.

Another factor of higher labor costs can also be the often nonstandard time when the work is being performed, etc. Only after deducting the labor costs do we arrive at the real "entrepreneurial profit"—let us say, a certain reward of the worker for the risk of entrepreneurship.

Although the extent of entrepreneurial risk varies from case to case, from the general viewpoint it is very small. What conclusion is to be drawn from it? According to my opinion, it shows quite clearly that the tax system protects the current costs of socialist organizations from price competition; on the other hand a consumer encounters the effort by the holders of national committee permits to "push" prices as high as possible.

But this simplified analysis also provides us with an answer to the other view: Given the current tax system and the overall shortage of services, mainly those which require materials, the introduction of contract prices—in view of the low level of the entrepreneurial risk, progressive tax rates, shortages in the distribution system and the resulting limited possibilities of increasing the amount of profit by increasing output—would only mean their one-sided increase. That of course carries within it the danger that this form of providing services would be discredited in the eyes of the public. This system also plays into the hands of those working without a national committee permit, that is, moonlighters. They are able to compete very strongly and effectively in prices with the sphere of individual work activities.

Dubious Tax Progression

We thus come up against another problem—that is, the taxation of these activities. The fact that the tax scale is derived from the generally applicable tax assessment of people's incomes, notwithstanding some partial measures enacted toward the end of last year, acts to some extent as a brake. By its steep progression in the higher income brackets it discourages a greater expansion of services, and on the other hand leads to concealment of the real amount of income and efforts to avoid taxes. And that, considering the fairly limited control and absence of a special tax agency, involves not an inconsiderable amount—some estimates place it at about 30 percent of the total output. Thus objectively the workers are entering the area of the shadow economy, even

though now already in part under the "official heading" of the national committee permit.

A closer look reveals another aspect of the tax system. Considerable preference is given to those services which require only the minimum of costs. In determining the base of the tax, 20 percent is deducted as a set rate for material costs (overall higher costs must be proven to the national committee by creditable documents) without regard to the nature of the services and the income earned (money or in kind). And in addition the principle applies that deductible are those costs which are necessary to earn the income. Therefore, as long as the worker performs a service without incurring any extra material costs (that can be, for example, even a bricklayer), his earnings are increased by the mentioned 20 percent of the deductible lump sum or its relative portion compared to the worker who performs a service requiring material costs.

For example, given the basic tax rate for achieving what is an average net income at the level of those working in the national economy (approximately Kcs 2,600) and the 20 percent costs, it is necessary to perform over Kcs 52,500 a year worth of individual work activity. If the worker saves 10 percent of the costs against the 20 percent of the deductible lump sum, his income will rise by more than Kcs 400 a month for the same amount of work. To earn the same wage in the sphere which has 20 percent as the lower limit of expended costs, it is necessary to produce Kcs 65,500 worth of output at a minimum.

Taking Risks With Only Poor Prospects?

Apparently, a citizen will hardly undertake an entrepreneurial and even less a social risk if he only has the prospect of earning an average net income of the national economy. But if he wants to earn as much as Kcs 4,000 a month, for example, his output must reach Kcs 101,000 a year and for a worker whose costs are 10 percent an output 26 percent lower is sufficient, which already makes a difference. Even less is sufficient if he does not declare part of his income.

Specifically, it makes a difference in taxes. By means of the income tax, we can estimate the net yearly income of citizens working on the basis of national committee permits. I will leave out those workers whose gross turnover from these activities does not exceed Kcs 6,000 (incidentally, in 1988 that applied to almost 80 percent of the permits issued), and I will direct my attention only to those citizens who pay taxes and whose average yearly income can thus be estimated.

In this connection we shall not be interested so much in its absolute amount (I estimate it at Kcs 15,510 on a republicwide average in 1988, see table) as mainly in the development of the average income over time. That will give us at first glance a considerably paradoxical picture: between 1984 and 1987 the tax revenue from holders of permits continually declined, which in the income area signals a decline of the average net income by roughly

Kcs 2,000 during the years under review. While there is a real, considerable shortage of paid services, both from the viewpoint of volume and of quality, the incomes stemming from the activities based on national committee permits behave as if in a situation where demand is fully met and the influx of more workers only diffuses it among more people.

Average Net Income of Citizens Providing Services by Permit of the National Committees, With Declared Incomes Above Kcs 6,000 a Year*

(in Kcs per holder of permit)					
	1984	1985	1986	1987	1988
CSSR	11,339	11,252	9,594	9,207	15,510
CSR	10,930	10,873	8,892	8,792	12,980
SSR	11,812	11,741	11,035	10,099	19,006

* This table includes roughly 20 percent of holders of national committee permits. An absolute majority—that is, about 80 percent—declared a gross yearly income under Kcs 6,000, and thus are not subject to taxation; neither is it possible to calculate the possible average of this largest group of citizens performing services on the basis of national committee permits.

That quite unquestionably indicates a strong structural imbalance in the supply of services, where part of it is saturated or even over-saturated, whereas there are areas, mainly in services which require the use of raw and processed materials, machinery, and instruments, about which this cannot be said. This imbalance is concentrated to a considerable extent in the so-called personal services and household services, that is, in the area according to which the consumers usually evaluate the level of services as a whole.

During the past year the average income again increased—for the first time since 1984. Did the government measures of 1988 eliminate the mentioned structural imbalance in issued permits? I believe that they did not. These measures only made more room on the demand side by making it possible to provide services for socialist organizations, and do so everywhere in the republic. Although that reduced the oversaturation, it did not increase the saturation in the supply services requiring use of materials.

To provide services requiring material inputs, machinery, instruments, etc., is less advantageous for a worker from the financial point of view. A serious problem and a limiting factor is also the distribution system for these services. The current system does not include provisions for making basic resources accessible to support private work activities. Here a negative influence is exerted by some norms, for example, the decree of the Federal Ministry of Finance No. 119/1988 on the administration of national property. According to that, an enterprise must first offer machinery that is worn out or that it cannot use to a socialist organization and only after that it is allowed to sell it to a citizen.

If citizens who perform services need any kind of material or supplies for that work, they must obtain it on their

own, sometimes with great complications and difficulties. Many times the result is that the customer is asked to secure the necessary material, and the performance of the service is limited to the handiwork. Citizens, working by national committee permit, as a rule do not have the possibility to buy the top-quality, in the world perhaps routinely used, small technology that makes work easier and quicker. The domestic production lags behind and the imports mostly cater only to large consumers.

In the Shadow of the Shadow Economy

The individual activity by citizens is constantly in conflict with the shadow economy in this sector. Nothing indicates thus far that the latest measures have limited its extent to any significant degree. The illegal or semilegal sector continues to compete strongly with citizens who provide services on the basis of national committee permits.

Given the persistent shortages of paid services, but also the objective opportunity for unfair competition, it widely covers the market with its activities, while in the "profitable" areas it puts the holders of national committee permits at a considerable disadvantage. For example in 1988, as was already mentioned, the total output of those working by national committee permit can be estimated at Kcs 470 million at the maximum, whereas the volume of work and services provided by the shadow economy can be estimated at Kcs 6-7 billion at a minimum.

It is a sad fact that the current system of individual work activities contains inherent elements which not only prevent the legalization of these activities on the basis of national committee permits, but on the contrary strengthen the shadow economy. That concerns not only the mentioned problems with taxation and costs, but also the distribution system. The links of the shadow economy with the area of the so-called semilegal incomes are much more complicated than they are thought to be, and the efforts to solve the matter by a single legal norm without creating proper conditions in the system very soon lead into a blind alley.

But what is it that keeps workers who perform various services and work, so to speak, illegally from entering the legalized area of national committee permits?

There is still evidence of distrust, fear of being placed on record as well as of administrative measures. Thus far, the status of individual work activity in the socialist society has not been clarified, either from the theoretical or the practical point of view. A moonlighter is taken on the whole as a common phenomenon of our society, but a place for a "private" worker seems to be missing.

Another, and to my mind one of the most important reasons, lies in the income area. The incomes of the moonlighters are net—without taxation. The level of current actual prosecutions and the system of controls enables them to move quite extensively within the illegal structures and give unfair competition to citizens

working by permit—for example, by lower prices which can reflect the “reduced cost” in the value of materials, particularly if it is of illegal origin.

If we take further into consideration the fact that these workers often use the production means and materials of their employer and carry out these activities often at the expense of the working time, then this system is much more advantageous for them than going into private activity.

What to say in conclusion? As far as the area of national committee permits for individual work activities is concerned, the old truth again becomes obvious that it is not enough just to permit a certain activity, but that it is necessary to make it realistically feasible by further measures. In view of the fact that here we are touching on economic activities, it is necessary, apart from the administrative legalistic conditions, to create also equal economic and all-embracing social conditions.

GERMAN DEMOCRATIC REPUBLIC

Development Trends in Container Shipping Outlined

90EG0138A East Berlin DDR-VERKEHR in German
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[Article by Werner Adner and Horst Henschel: “Level of Development and Tasks for Further Developing the GDR's Container Transport System”]

[Text] Since its introduction in 1968 container transport in the GDR has been continuously developing and today with a volume of goods approximating 5 million tons has roughly a 1.6-percent share of the GDR railroad's (DR) freight traffic. In the context of preparing for the 1991-95 5-Year Plan as well as a long-term strategy, measures to further develop container transport are currently being discussed in order to accommodate both national and international requirements and developments.

This article is meant to contribute to active support for the process of forming opinions and arriving at a decision and to call attention to the requirements for further development.

1. Level of Development and Results Achieved

In retrospect it is evident that the GDR's container transport system (CTS) was introduced 21 years ago and in a relatively short period of time all organizational, technical-technological, and commercial prerequisites for its comprehensive use were created.

Since then, the CTS has been continuously expanded and further developed by the transport system.

Performance development was achieved by expanding the material-technical basis and by intensive utilization

of the existing basic assets and is reflected in the following results:

- Development of GC-loads and the volume of goods transported in GC (GC = large containers) as shown in Table 1

Table 1: Development of Loads and Volume of Goods in GC-Transport in the GDR

Year	Volume of Goods (millions of tons)	GC Loads (in 10 ³ tons)
1970	0.809	120
1975	1.985	315
1980	2.890	455
1985	4.772	746
1988	5.050	769

- Expansion of the inventory, which consists almost exclusively of closed 20-foot universal GC as shown in Table 2

Table 2: Development of the Inventory of 20-Foot Universal GC in the GDR

	1980	1985	1988
Available GC fleet (units)	22,000	40,900	55,299
—Overall transport system	18,400	33,000	47,173
DR's share of this	16,300	25,400	32,158
—Industry	3,600	6,800	8,126

- Building 27 large container transshipping points (GCUP) for the DR and 23 container transshipping sites (CUST) for industry, which handle about 60 percent of the GC; beyond that, authorizing more than 300 DR stations to deliver GC which handle about 40 percent of the GC which are shipped with the DR
- Putting about 30 container full portal cranes (VPK) into service with a capacity of 25 to 30 tons and partially automatic hoisting gear (spreader)
- Reduction in GC turnaround time from 13.8 days/GC in 1970 to 8.76 days/GC in 1988, which has, however, not changed much in the past few years
- Modest increase in average GC utilization as a result of increasing the share of light and bulky goods
- Increasing the average number of exchange processes for the exchange containers belonging to customers from 45 in 1985 to 50 in 1988

These results were achieved through close cooperation between the transport system and the territorial units, combines, and enterprises.

In spite of the overall positive development, it is clear that not all rationalization effects which were originally aimed for by introducing the CTS in the GDR are economically effective yet.

The original target of efficiency basically consisted of:

- A twofold to threefold increase in work productivity in the transport, transshipping, and storage processes (TUL);
- Reducing economic losses and damage and saving packing material as well as costly loading and load safeguards and at the same time reducing transport damage by 40-60 percent;
- Establishing efficient production-transport chains from producer to consumer by including GC directly in production on up to warehousing at the consumer's end;
- Speeding up goods circulation by shortening transport and delivery times by up to 50 percent.

At present the task is to consistently pursue these objectives even if the prerequisites which are necessary for realizing them in a comprehensive way still have to be partially created.

For example, saving packing material and shortening transport time are affected by this. Moreover, we must derive conclusions and consequences for further developing container transport from the international development trends listed below.

2. International Development Trends

2.1. Container Transport and Container Fleet

Since it came into being, container transport has developed internationally into the dominant form of combined transport. This can be seen, for example, in the worldwide production of containers which has grown by 35 percent between 1986 and 1988.¹ It can be determined that intercontinental container traffic between the countries of Asia and the concentrated industrial areas of Europe and the United States increased more rapidly than international traffic overall, specifically by 18 percent.² The number of containers which were processed by Intercontainer rose by about 44 percent between 1982 and 1987.³ There was a 7.8-percent increase in the rate of containers which were processed in the FRG in the timespan between 1987 and 1988 by Transfracht (German Transport Company, Limited (TFG), Frankfurt/Main), for example, including a 6.5-percent increase in overseas traffic and 12.2 percent in domestic traffic.

The increase in overall tonnage amounted to 10.2 percent and 9 percent in domestic traffic.⁴

The structural change in the kinds of goods which is taking place, particularly the increase in the share of low-density goods, for example products from the consumer goods industry, plastic products, but also electronic and electrotechnical products, is resulting in the use of large-volume transport containers.⁵ Thus, for example, in June 1989, new large-volume containers for the purpose of standardization were recommended by

Technical Committee 104 of the International Standardization Commission (ISO TC 104), specifically 30- and 40-foot closed containers about 2.9 meters high.

It is estimated that a height of about 2.9 meters and a general increase in the permissible gross mass of these containers will also be targeted for 20-foot containers. This would result in consequences for the fundamental increase in the capacity of large container transshipping equipment and transport means unless we are to do without uneconomical temporary arrangements. More extensive changes, particularly in length and width, will have to depend on the result of economic studies.⁶

The fleet of containers developed in the same way as the growing volume of container transport.

Thus, the world's inventory of containers reached a level of 3.5 million containers and about 5 million TEU (20-foot—Equivalent—Unit).⁷ This fleet basically consists of 20- and 40-foot containers. The share of 20-foot containers is about two-thirds of the world's container fleet, that of the 40-foot containers is barely one-third.

The further increase in container transport which is anticipated particularly in maritime traffic—approximately twice as much by the year 2000 over 1985—will result in an increase in the share of large-volume closed 40-foot containers. In the CEMA countries 20-foot containers are currently used almost exclusively in continental traffic, primarily closed universal containers. The use of special containers is restricted to a few special routes.

While railroad administrations primarily acquired closed containers up to now, this is being done to an increasing degree by railroad subsidiaries (for example, the DR's Transfracht), companies such as Intercontainer, shipowners and forwarding agents. Because of the conditions of use which are specific to the kinds of goods, special containers are generally acquired by the transport customers. To this end, there are leasing companies available to assign containers for transports of a specific duration; these are of great importance, particularly in West European and other capitalist countries.

2.2. New Demands on Container Transport

The development of large uniform markets, the structural change in goods to be transported—particularly the increase in value density and the share of low-density goods—and the growing demands by transport customers for quality in respect to transport time, reliability and flexibility precipitate:

- The use of increasingly larger transport containers and units;
- The development of flows of goods between large concentrated industrial centers and ports;
- The application of appropriate modern technologies of combined transport between these centers, including modern communication technologies.

Thus, for example, combined load traffic which was introduced in the FRG in 1988 (KLV 88) has demonstrated its value and the German Federal Railways (DB) intends to use it to get prepared for the rising market demands of a liberalized transport market.

The basis of this KLV is the concentration of the goods transport on a relatively small number of transshipping railroad stations and the channeling of traffic flows between them in order to be able to put together many "direct trains."

This is how 70 direct trains are to achieve higher transport speeds—particularly with fast night travel—between 50 key railroad stations with improved times for completing loading and becoming ready for transport by motor vehicle and reduced handing times at the stations.

The 45 million-ton expansion in combined transport which is the target by the year 2000, with container transport of more than 50 percent representing the key component, nonetheless requires building new terminals for combined transport.⁸

In connection with the above-mentioned development and the expansion of hinterland traffic, substantial importance in European freight is accorded both to expanding hinterland transport for the large seaports and inter-European container transport, and preparation is underway to create a network of important routes for international combined transport in the framework of the ECE (Economic Commission for Europe). The development of efficient terminals, which is an integral part of creating such a network, requires automation or partial automation of transshipping processes (crane distribution and control, accounting and control) in connection with introducing efficient EDP systems. Joining the GCUP EDP systems with overall systems will guarantee realization of the new demands by transport customers for quality in respect to greater flexibility in arranging and controlling the course of individual shipments while guaranteeing steady availability.

This requires being able to identify every container within the transport chain at control points which are provided for that purpose. To this end, at the previously mentioned ISO TC 104 meeting the draft of an ISO standard for an internationally standardized system of automatic container identification was discussed and recommended for standardization (see also footnote 6).

3. Basic Problems and Conclusions for Continued Development of the GDR's CTS

The necessity for priority consideration of qualitative factors in the further development of GC transport stems both from international development and from national requirements (for example, increasing just-in-time production with growing importance of such factors as "time," "reliability," and "damage-free" transport).

Thus, the requirements of the economy for GC transport capacities will increase commensurate with improvements in attractiveness, continuity, and reliability (currently about 15 percent of the railroad's freight volume can be transported in GC).

Therefore, the overall strategic objective for the transport system, considering the real reproduction conditions of the economy and the transport system, particularly the DR's, should consist of utilizing the available capital goods primarily for qualitative improvement in the services available by intensifying and rationalizing GC transport using modern technologies involving microcomputers and logistics. The basis for this should be the following major objectives:

- Increasing economic efficiency in GC foreign trade transports;
- Raising the share of GC transit transport to increase foreign currency income;
- Creating prerequisites which make possible additional rationalization and utilization effects for the GDR's transport customers in domestic traffic as well, particularly in respect to:
 - Shortening transport times and adhering to delivery schedules in order to reduce the economy's storage inventories and to increase the usable national income;
 - Reducing the cost of the TUL processes;
 - Reducing freight damage and losses;
 - Lowering packing costs (experience and international results suggest that about M 10-15 per GC can be saved with the appropriate transport technology).

Achieving this objective will require both improvement in transport technology, expanding the material-technical basis and also a new, modern organization of management and creating the necessary scientific-technical advantage.

3.1. Transport Technology

Because of the DR's reproduction conditions cited, that is, inadequate transshipping capacities at the GCUP as a result of expanding GC transport as an economical energy alternative to highway transport, at the beginning of the 1980's concentrated GC transport using container trains was basically given up and a new loading structure was introduced in the form of the local car principle.

This was in keeping with the operational requirements of the DR for train traffic and was supposed to promote improved utilization of the route capacities, acceleration of the transport processes by increasing transport frequency on the routes and unburdening the GCUP.

Today, approximately 90 percent of all GC are transported singly under the same conditions as freight cars, that is, at the switchyard stations the GC are subjected to

the same conditions as freight cars. Thus, it was not possible to effect essential rationalization effects such as reliability and decreased packing costs, nor to reduce damage and losses to goods which were caused while being transported.

It would be essential to concentrate GC transport on a few efficient GCUP and channel the GC flow in order to systematically increase the container train share.

The research topic "expanding the services available for combined transport" which is currently being worked on at the GDR's Central Research Institute of the Transport System (ZFIV), is producing, among other things, initial studies on efficient shaping of GC transport. These studies concentrate on channeling potential flows of GC given a reshaping of the GCUP's collection areas and by considering the network, which was prepared in the framework of the ECE, of important routes in international combined transport.

In addition, they will help develop transport technologies to move container trains on the major routes (for example, delivery and pickup at seaports) in order, to the extent possible during so-called fast night travel, to guarantee acceleration of transport times, improving reliability, reducing transport stress, and efficient utilization of the GC.

The following, among others, are prerequisite to realizing the above objectives:

- Delivering the GC by road to the GCUP given expansion of their collection areas or delivering groups of cars and individual cars before or after by rail if this does not involve anything more than technical switching treatment;
- Eliminating fragmentation of GC transport, for example, by reducing the more than 300 railroad stations which are authorized to deliver GC by rail and concentrating on efficient GCUP given maximal development of their collection areas;
- Delivering GC by rail if the loading surface of the flat cars can be fully utilized and the GC lowered.

3.2. Material Technical Basis

Overall it can be ascertained that because of the increased volume of GC transport the material-technical basis no longer meets the new demands. This is especially true of the following aspects:

Transshipping Equipment

The container full portal cranes which were introduced from 1968 on by the VEB [state enterprise] Crane Construction, Wittenberg, are technically obsolete and operate at different GCUP to the limit of their technical capability. The development of a new generation of container cranes (high performance cranes) and the further development of the existing full portal crane is being done by the crane manufacturers, based on the

technical programs of requirements of the Ministry for Transport. The new high performance cranes with substantially improved technical parameters, as discussed in footnote 9, will be available starting in the mid-1990's.

GC Fleet

The technical state of the GC fleet is unsatisfactory and demands expansion of existing maintenance and repair capacities. The GC fleet is comprised primarily of 20-foot universal GC and accommodates the current conditions of domestic traffic, but should be focused more vigorously on 40-foot GC because of increasing GC foreign trade transport. Transport customers' transport requirements for special GC can be guaranteed only by the customer's own developments and by imports or by renting because of the conditions which are specific to the goods.

GCUP

The GCUP, which when they were put into operation were integrated into the existing freight traffic facilities of the DR are today proving to be bottlenecks for increasing performance.

Their site distribution came about basically because of features of territorial rationalization and does not match the optimal conditions of the DR's management in the context of a container train network between the efficient GCUP.

In the interest of further intensification and increased efficiency, the previously mentioned features create the necessity to concentrate the available investments on the following key points:

- Increasing efficiency through reconstruction and modernization of the GCUP which define the network and, if the need should arise, putting new GCUP into operation and eliminating temporary solutions;
- Increasing GC production and repair with the goal of making availability meet demand;
- Appropriate acquisition of flatcars, semitrailers, supporting frame mounts, and lowering devices and improving their technical parameters taking into consideration the ISO's (International Standards Organization) June 1989 recommendations on standardization for a new container generation;
- Introduction of partially automated processes in container transshipping.

To increase the efficiency of the container fleet which is in use it is essential to:

- Increase GC utilization by:
 - Introducing optimum values which are based on the type of goods;
 - Enlarging the share of 40-foot GC in the container fleet;

- Intensified use of special containers;
- To further increase the exchange processes and the GC exchange fleet under current conditions, with the long-range goal of meeting the transport customers' GC requirements totally by increased GC production in order to be in a position to put regularization aside.

In order to achieve as quickly as possible the originally targeted economic rationalization effects there should be an examination of how the individual branches of the economy can contribute to the qualitative development of GC transport, for example, in the context of intensified territorial rationalization by virtue of creating additional prerequisites for transshipping GC among the transport customers and making development capacities for special containers available.

3.3. Application and Use of Microcomputer Equipment

Since December 1988 it had been possible to rationalize the technical processing operations at the Dresden-Neustadt GCUP by using 8-bit personal computers. Preparation is underway to replace them by 16-bit computer equipment in order to increase efficiency and introduce them at other GCUP.

A modularly structured standard design for monitoring, arranging, accounting and tracking performance with the involvement of motor vehicle transport is being developed for the Berlin-Frankfurter Allee GCUP and will be used at other GCUP.

A fundamental condition for further development is the introduction of modern information technologies together with partial automation of transshipping equipment at the efficient GCUP of the future primary container network involving seaports and information exchange between the GCUP and the seaport in order to apply the logistics in combined transport.

The goal is to reduce the high manual costs which are currently still involved for management, planning, arranging, and accounting for GC transport by means of computer-assisted container monitoring and to establish a control system based on one-time data recording and multivalent use of the data by the various sectors.

A prerequisite for this is, among others, guaranteed compatibility of the individual solutions which currently exist or must be developed.

3.4. CTS Management and Organization

The currently shared responsibility for the reproduction process in the CTS, particularly in the organization and implementation of GC domestic transport and international traffic between the participating sectors of the transport system, no longer meets the economic requirements and makes difficult management and coordination of the CTS which are focused on overall economic interests.

The prerequisites for uniform and comprehensive management of the CTS based on economic efficiency should be created with the goal of guaranteeing through optimal cooperation between all parties involved in the container transport chain minimal transport time for the freight from the source to the point of unloading with a guarantee of maximal transport quality. Without a doubt, an independent economic unit which operates on the basis of economic bookkeeping and is fully responsible for the overall reproduction process and is gradually equipped with its own basic assets is the most efficient solution for CTS management and organization.

Under current conditions, if the occasion should arise, an intermediate solution is also conceivable, one which is oriented toward a division of labor between the DR as a uniform transport organizer (basically responsible for domestic transport, international GC land transport including ocean traffic with the USSR) and Deutfracht Shipping/DEUTRANS-Transcontainer as multimodal organizers responsible for overseas GC transport, including delivery and pickup at the seaports.

3.5. Scientific-Technical Tasks

The current scientific-technical tasks are basically concentrated on:

- The use of MRT [microcomputer technology] in container transport;
- Efficient shaping of GC transport by channeling the flow of GC and deriving transport technologies for container train connections;
- Further developing ocean container transport.

This research work is primarily determined by the requirements of the transport carriers.

The rapid increase in economic efficiency, however, requires a comprehensive, accelerated, and coordinated process to create the scientific-technical advantage in the overall economy.

This is particularly true of foreign trade and transit transport and primarily affects:

- The use of the automatic GC identification system which has been standardized by the ISO;
- Guaranteeing foreign trade and transit transport with new large volume GC (high cubes).

Creating the prerequisites for transporting and transshipping the high cubes requires systematic and comprehensive scientific-technical preparations such as:

- Further developing the transport infrastructure;
- Developing and acquiring the necessary special transport containers;
- Making the necessary transshipping equipment available.

Realizing the new requirements which have come of age in the branches of the transport system and business in respect to further creating the comprehensive scientific-technical advance requires central management and coordination of all topics which are integrated in a research complex, which might include the following subcomplexes, specifically:

- Conclusions and consequences, which are the result of international development trends (for example, high cubes, GC identification), for further developing the material-technical basis of the CTS in the GDR;
- Creating the appropriate software and hardware prerequisites for a comprehensive system of computer assisted GC monitoring, arranging, accounting and control;
- Developing container transport into an overall future system of combined cargo transport in the GDR's economy.

Expansion of the scientific-technical management function of the Center for Freight Transport (ZGT) in the ZFIV is available for this purpose.

4. Summary

By way of summary it can be stated that following the introduction of the CTS in the GDR significant qualitative progress, particularly in respect to economic efficient, was not achieved on the scale originally targeted in spite of the considerable quantitative development of container transport. Thus, for further development the issue is that of a fundamental analysis of the level of development which has been achieved, including the uneven distributions which emerged, and preparation of a comprehensive strategic objective for the long-term and qualitative development of the CTS in the GDR as the nucleus of combined freight transport coordinated with all participating carriers and industries. The overall strategic objectives which stem from economic interests should be centrally confirmed so that on this basis comprehensive and very foresighted transport research, including its practical realization, can be guaranteed.

Footnotes

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Official Queried on Sulfur Dioxide Emissions, Smog Alert

90EG0157A East Berlin NEUES DEUTSCHLAND in German 27-28 Jan 90 p 16

[Interview with Klaus Schlegelmilch, sector manager, Ministry for Conservation, Environmental Protection, and Water Management, by Dr. Guenter Queisser: "One Hundred Monitoring Stations Warn of Polluted Air—Questions to the Experts: What Gave Us the Smog Ordinance in the Past? What Now?"; date and place of interview not given; first two paragraphs are NEUES DEUTSCHLAND [ND] introduction]

[Text] Since last November, environmental data has no longer been confidential information. The sulfur dioxide air pollution numbers are published regularly. We discussed the past results with Klaus Schlegelmilch, sector manager for the Ministry for Conservation, Environmental Protection, and Water Management.

Even household combustion burdens the environment with sulfur dioxide. At the District Hygiene Institute in Karl-Marx-Stadt, the data from all 11 sulfur dioxide monitoring stations in the district are run together.

ND: How often was the alert called since November 1989?

Schlegelmilch: There have been eight smog alerts, which is a large number in comparison with the year before. The pollution levels were not considerably greater. In addition to the pollution, though, were the meteorological conditions which largely determined the formation of smog situations. That affected the Leipzig, Halle, Karl-Marx-Stadt, Dresden, Magdeburg, Erfurt, Gera, and Berlin districts. In these instances, Information Level 1 was called out as was Readiness level 1 in local areas, and in the period between 29 November and 5 December, Readiness level 2 was even called in parts of the Leipzig and Halle districts.

ND: In such cases, are factories given injunctions...?

Schlegelmilch: For specific factories in the smog-endangered districts, there are readiness plans in which it is precisely specified what is supposed to happen. The

intent is to temporarily reduce emissions. Factories and facilities which are immediately important for public consumption, such as food processing factories or heating houses for hospitals, day-care centers and so on, are excluded. Power plants can also not simply be shut down. That could lead to outages in the electric power grid.

Short-term emission-reducing measures, as seen in smog, do not fundamentally improve the existing situation. We only retard a further increase in pollution levels with those measures.

For that reason, it is important to take seriously the recommended actions during a smog alert. This is true above all for high-risk groups such as small children, elderly citizens, and people who suffer from asthma and heart disease, who should stay away from the outdoors as much as possible and avoid strain. And individuals themselves can make a difference by conservatively using heat and electrical energy, occasionally leaving the automobile at home and using public transportation, and not burning yard waste or garbage.

It is not industry alone which causes smog. If a locale lies in a valley hollow, household combustion—when the heating ovens are running full blast—contributes to the smog situation in the right weather conditions in the winter months. Then a small town “smogs” without any major industry. Of course, it is difficult to advise the public to not have heat. Everyone wants it to be warm at home. Still, it does not have to be 78 degrees in every room. In fact, it is not healthy in the bedroom. So there are reserves. This is also true with electricity. Each kilowatt-hour we waste must be generated, whereby dust and sulfur dioxide are released (into the atmosphere). It always pays to conserve energy.

Another problem is the long-distance migration of hazardous materials. The 13 big producers, the large power plants and chemical combines (Bitterfeld, Buna, and Leuna) make their contribution here. It only has a certain effect in Halle or Leipzig; in those locations, (the problem) is primarily home combustion, small industry, and motor vehicle traffic. With an easterly wind, the Thuringian valleys are especially able to detect what is being carried off by the 650- to almost 1,000-foot high chimneys.

ND: Why do the published data only contain information on sulfur dioxide?

Schlegelmilch: In the current GDR energy structure, sulfur dioxide and suspended dust are predominant. For us, they are the decisive indicators for air pollution. Sulfur dioxide certainly can be enriched by other hazardous materials. With our limited monitoring equipment, we are currently only able to satisfactorily cover sulfur dioxide. We orient ourselves to international standards with respect to smog alerts and threshold values. Our smog regulations are to be restructured this year and the smog-endangered territories will be more clearly delineated.

ND: How many sulfur dioxide monitoring stations are there in our republic?

Schlegelmilch: The 55 monitoring stations in the health area and the 45 in the meteorological realm make a total of 100. Additional monitoring points are to be added this year, primarily in the Halle district. We have too many unknowns there, as well as in the Cottbus, Potsdam, Gera, Erfurt, and Suhl districts.

ND: Who may call a smog alert?

Schlegelmilch: The Minister for Conservation, Environmental Protection, and Water Management, and the District Council chairmen.

HUNGARY

Changes in Tax System Described

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4 Jan 90 p 24

[Article by Maria Demcsak: “The Tax System Has Changed”]

[Text] As in every year, at a year-end meeting organized by the National Association of Entrepreneurs [VOSZ] several hundred entrepreneurs waited anxiously to learn from tax experts how to conduct themselves in the new tax year. What are the things they must learn anew, what should be watched, which provision may be frustrated in order to exist. The tax rules were published in issue Nos. 88 and 92 of MAGYAR KOZLONY. This is a brief presentation of the explanations heard at the meeting.

Personal Income Tax [Szja]

Speaking of the Szja, we learned from Ministry of Finance division chief Anna Szekacs that the average tax burden on those who actually pay taxes amounts to between 34 and 35 percent. This is high, despite a change in tax brackets. As a result of the new tax brackets persons earning a higher income will acquire a greater benefit, and this stimulates investments by those who can afford it. Szekacs regarded the fact that beginning in 1990 individual entrepreneurs may invest 30 percent of their taxable income on a tax free basis, as a significant change. These funds become taxable only if they are permanently withdrawn from the business. Caution: This huge benefit applies to funds after which entrepreneurial profit taxes were paid. Accordingly, could it be that this gesture is not that great after all?

Having enabled the partial division of cooperative property, tax obligations based on divided property had to be provided for retroactively, for the year 1989. It should be known that no Szja must be paid for such property if the accumulated property was distributed to individuals by name prior to 31 December 1988. In the event that the member sells his share, the selling price is the basis upon which Szja must be calculated. This created huge problems at many small cooperatives, because based on the

entrepreneurial tax in force in 1988, many members changed their status so as to become employees. Only the delayed tax rules may be applied to employees.

Dividends received on the basis of special purpose notes and shares subscribed to prior to 1988 are tax free in 1989, but beginning in 1990 they are subject to the payment of source taxes.

Tax benefits will change. The tax exempt part of savings for housing purposes was changed to 12,000 forints. The new Szja law does not recognize a 30 percent reduction in the tax base on grounds of public works development. According to a future Council of Ministers decree incentives to accomplish public works development will be the function of councils; a maximum of 15 percent of the costs will be reimbursed.

Individual entrepreneurs will continue to have an opportunity to choose between paying Szja or entrepreneurial profit taxes. On the other hand, the administrative burden of those making only a small income was substantially simplified. Entrepreneurs whose activities do not result in annual costs exceeding 36,000 forints, and do not have employees and do not pay general sales taxes must retain only the evidence of costs incurred beginning in 1991.

Only a math notebook is needed by those who do not pay general sales taxes. In that notebook they record their income and expenses. Entrepreneurs performing a larger volume of work and are subject to the payment of general sales taxes will continue to be obligated to maintain a ledger.

There are great differences of opinion between those who created the law on the one hand, and interest groups on the other, concerning the use of tax accounting based on averages. The new law concerning individual entrepreneurs permits functioning in several fields, and therefore averages cannot be established in this regard. Tax accounting on the basis of averages can be maintained only until 1 January 1991.

Thus far the manner in which the combined income of a cooperative member is taxed could be misunderstood: Should he pay Szja or source taxes? The new law clearly states that he must pay Szja. On the other hand, dividends paid on the basis of a business share are subject to a 20 percent tax.

Entrepreneurial Profit Taxes [Vanya]

Finance Ministry division director Dezso Sugar conveyed useful information in regard to Vanya. Taxation of profits in two steps remains unchanged. The first 3 million forints of profits are subject to a 35 percent tax, additional amounts are subject to a 40 percent tax. The group of persons entitled to benefits has broadened. Identification of activities on the basis of the Industrial Products Register [ITJ] and the SZTJ [Services Register] has been made easier by an attachment to the law.

One of the most serious problems presented itself in regard to the taxation of the value differential of material property. The new rules provide that henceforth 50 percent of the value differential realized from the sale of material property and securities may be reclaimed. From a tax standpoint leasing rights are clearly regarded as investments. Persons investing in underdeveloped areas receive a tax benefit that corresponds to 30 percent of the investment costs. A taxpayer operating in an underdeveloped area is entitled to a five year tax benefit of 65, 50, 40, 20, and 10 percent each year, respectively.

The fact that accounting for the value of inventory was made dependent on the size of a venture created problems in arriving at the bottom line. By following this rule taxpayers slipped from one category to another, and as a result unjustified reductions or increases in the tax base occurred. Henceforth the value of inventory may be calculated against the basic assets, according to the new provisions. A substantial benefit was provided in the framework of accounting for amortization expenses. Private persons, and companies operating with private persons in the majority may, from a practical standpoint write off their fixed assets for two years, beginning in 1990.

Premiums and reward given to persons holding leadership positions will continue to be paid from after tax income, and not as part of the expenses. Competition neutrality was the subject of lengthy arguments by entrepreneurs, in regard to situations in which entrepreneurs must pay dividends to owners from the after tax funds, while this is not done by state enterprises. This is the reason why a decision was reached: Henceforth the state sector will also pay dividends on property. (Once again, those who do well shall be damned, namely, the one who does not produce profits has nothing to pay dividends from.)

General Sales Taxes [Afa]

Finance Ministry division head Istvan Kemenyfi discussed the matter of Afa. He said that the tax rate will not change in 1990, but the taxation of imports has been substantially changed. Beginning in April 1990 goods brought in from abroad for ventures will be treated as imports resulting from foreign trade. Correspondingly, Afa will have to be paid for goods imported for other than commercial purposes.

Beginning on 1 January 1990 the importation of products is taxable. Based on assessments, the tax will be collected by customs and financial agents. Tax rates will be the same as in domestic commerce. The basis upon which Afa is to be paid will be the customs value as increased by customs duties and customs fees.

Mandatory Issuance of Receipts

Most certainly, the change most difficult to digest will be the obligation to issue receipts. Voluntary reporting ["self-taxation"] of taxes became widespread since 1988. There is an increasing need for proof in regard to each

and every sales transaction. The framers of the provisions state that it is hard to give credence to the volume of individual tax exemptions filed by 60 percent of entrepreneurs, meaning that they did not pay general sales taxes, because their sales volume did not reach the lower threshold of the obligation to pay Afa. Hereafter these taxpayers will have to provide proof of sale, even if such sales were settled in the form of cash payments.

A receipt must be completed even if a buyer, or a recipient of a service, does not ask for an invoice. The obligation to prepare receipts includes retail sales in shops. Only newspaper sales, single person grocery stores, and gas stations constitute exceptions. The obligation applies only to those operating from fixed locations.

Further: Receipts must be given by catering industry units where guests are served. Street vendors need not issue receipts. Self-service outlets are not exempt. The obligation applies to entrepreneurs who operate from stores or workshops, and also to persons engaged in the commercial sale of lodging.

The obligation to issue receipts will be introduced gradually. Beginning on 1 July 1990 clothing, chemical, and heating fuel merchants operating retail stores, and small tradesmen operating from workshops will be covered.

Beginning on 1 July 1991 those who sell lodging and all others not covered thus far will be obligated to issue receipts.

Whoever acquires a cash register for this purpose may treat the purchase price of the cash register as a general sales tax charged in advance. But only after such purchase was verified by the tax authorities. Beginning on 1 January 1990 the use of general sales tax averaging will be discontinued for retail sales consummated in stores and for the catering industry, because the conditions by which these outlets are classified will be changed. During the transitional period persons preparing inventories as of 31 December 1989 will be able to claim a refund on general sales taxes until 30 June, if they attach invoices covering their purchases and forward those to the tax authorities.

Sales taxes on the rental of premises will change. Beginning in 1990 the use purpose of the leased premises will be the controlling factor. In the event that an apartment is not leased for residential purposes, but for business purposes, the leasing fee will be subject to a 25 percent sales tax.

Persons claiming the absence of personal conditions for the issuance of receipts may seek exemptions from under the obligation to issue receipts.

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